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CONTENTS

BANGLADESH

President Rahman Given Warm Welcome in London (THE BANGLADESH TIMES, 17 Jun 80).....	1
Report on President's Speech at London Luncheon (THE BANGLADESH TIMES, 17 Jun 80).....	3
Rahman, Thatcher Hold Talks in London (Abdur Rahim; THE BANGLADESH OBSERVER, 17 Jun 80).....	6
Finance Minister Discusses Revised Budget (THE BANGLADESH OBSERVER, 17 Jun 80).....	8
Foreign Minister's Activities in Vienna Reported (THE BANGLADESH OBSERVER, 16 Jun 80).....	12
Journalists Urge Repeal of Publications Act (THE BANGLADESH OBSERVER, 17 Jun 80).....	14
Muslim League Holds National Council Session (THE BANGLADESH TIMES, 16 Jun 80).....	16
Priority Given to Oil Exploration Program (Mufazzal Husain; BUSINESS TIMES, 26 Jun 80).....	20
Briefs President's Greetings.....	22

BHUTAN

King Meets With Indian Goodwill Group (PATRIOT, 16 Jun 80).....	23
--------------------------------------------------------------------	----

BURMA

Former Defense Minister Returns From Exile (Zaw Win; BUSINESS TIMES, 25 Jun 80).....	24
-----------------------------------------------------------------------------------------	----

INDIA

Shift in Voting Pattern in Punjab Analysed (K. S. Khosla; THE TIMES OF INDIA, 18 Jun 80).....	25
Assistance to Iran, Concern Over Payments (K. K. Sharma; BUSINESS TIMES, 16 Jun 80).....	28
Minister Rules Out Takeover of Foreign Banks (THE HINDU, 17 Jun 80).....	29
New Delhi Shopping for Military Hardware (Prakash Chandra; BUSINESS TIMES, 25 Jun 80).....	30
Report Details Transfers of Bihar Commissioners (PATRIOT, 16 Jun 80).....	32
Manipur Students Set Cutoff Year as 1949 (THE TIMES OF INDIA, 17 Jun 80).....	33
Manipur Asks Deletion of Newsreel Showing Troubles (Khalid Mohamed; THE TIMES OF INDIA, 18 Jun 80).....	35
Three Percent Decline in Economic Growth Rate (BUSINESS TIMES, 16 Jun 80).....	37
Economist Suggests Change in Planning Strategy (PATRIOT, 16 Jun 80).....	38
Economic Survey Suggests New Energy Policy (PATRIOT, 16 Jun 80).....	39
Tea Industry Jolted by Halt in USSR Purchases (THE STATESMAN, 17 Jun 80).....	40
New Railway Budget Includes Rise in Fares, Rates (THE STATESMAN, 17 Jun 80).....	41
Test of Railway Minister's Speech Traffic Committee Inquiry	

Briefs	
Jammu, Kashmir Cabinet Change	49
Envoy to Zambia	49

INDONESIA

Criticism of President Suharto Increasing (Ingo Hertel; BUSINESS TIMES, 17 Jun 80).....	50
Sadikin Ridicules Claim of Assassination Plot (NEW STRAITS TIMES, 17 Jun 80).....	52
Soldiers Killed in Fretilin Ambushes Near Dili (NEW STRAITS TIMES, 19 Jun 80).....	53
Issue of Regeneration Process in Government, Army Analyzed (TEMPO, 12 Jul 80).....	54
Fuel Price Rise Spurs Round of Increases (Warief Djajanto; BUSINESS TIMES, 23 Jun 80).....	65

KAMPUCHEA

Age Restrictions Placed on Buddhist Monks (Sylvana Foa; BUSINESS TIMES, 20 Jun 80).....	67
--------------------------------------------------------------------------------------------	----

LAOS

Leaders' Messages To, From Foreign Statesmen Reported (BULLETIN QUOTIDIEN, various dates).....	68
Cape Verde National Day	
Phoun Sipaseut Message to Canada	
Souphanouvong Message to Canada	
Souphanouvong Condolences to India	
Message From Genscher	
Souphanouvong Message to Madagascar	
Message to Mozambique	

Briefs	
Khammouan Ceramics Production	71
Homage to Ex-President Giri	71
Sisattanak Cultivation	71
Phoumi Vongvichit at Conference	71
Phon Hong Cultivation	72

Cinematographic Delegation to CSSR	72
Nasaithong, Hatsuifong Cultivation	72
Saravane Livestock	72
New Bank Branch	72
New Oudomsai Cooperatives	73

MALAYSIA

Members of Islamic Underground Movement Arrested (NEW SUNDAY TIMES, 29 Jun 80).....	74
Manila Renounces Claim to Sabah (NEW STRAITS TIMES, 25 Jun 80).....	75
Public Warned Against Letter Bombs (NEW STRAITS TIMES, 18 Jun 80).....	76
Naval Exercises Planned With Thailand, Indonesia (NEW SUNDAY TIMES, 29 Jun 80).....	77
Iraq Urged To Supply Oil on Long-Term Basis (NEW STRAITS TIMES, 11 Jun 80).....	78
Sabah Gas Resources To Be Used To Develop Labuan (BUSINESS TIMES, 20 Jun 80).....	79
USSR-Malaysia Shipping Agency To Begin Operations (NEW STRAITS TIMES, 13 Jun 80).....	80
Carigali To Begin Drilling Off Sabah (NEW STRAITS TIMES, 28 Jun 80).....	81

PAKISTAN

President Hopes for Joint Ventures With Japan (THE PAKISTAN TIMES, 21 Jul 80).....	82
Islamabad Adopts Low Profile on Afghan Issue (H. K. Burki; BUSINESS TIMES, 28 Jun 80).....	83
New Director of Customs Intelligence Appointed (BALUCHISTAN TIMES, 19 Jul 80).....	85
Two Statements by Punjab Governor Treated With Sarcasm (Editorial; JASARAT, 2 Jul 80).....	86
Some Improvements in State of Economy (BUSINESS TIMES, 27 Jun 80).....	88

Big Scope for Fisheries Development (THE PAKISTAN TIMES, 21 Jul 80).....	89
Cement Output Rises to 3.75 Million Tons (THE PAKISTAN TIMES, 16 Jul 80).....	93
Cement Production To Increase by End of Next Year (THE PAKISTAN TIMES, 22 Jul 80).....	94
Briefs	
Objectionable Pamphlet Seized	95
Flourite Deposits in Dilband	95
Rise in Sugarcane Cultivation	95
PHILIPPINES	
Concern Over Industrial Expansion Program (Yoshiko Sakurai; BUSINESS TIMES, 18 Jun 80).....	96
New System for Valuing Peso To Be Adopted (BUSINESS TIMES, 20 Jun 80).....	98
New Oilfield To Begin Production; Export Earnings (BUSINESS TIMES, 30 Jun 80).....	99
SINGAPORE	
Speculation About Early Election, Goh Chok Tong (K.S.C. Pillai; BUSINESS TIMES, 20 Jun 80).....	100
Rewards, Penalties Used in Family Planning Program (Nestor Cervantes; BUSINESS TIMES, 27 Jun 80).....	102
Agreement With PRC on Commercial Missions (BUSINESS TIMES, 16 Jun 80).....	104
THAILAND	
Column Blasts Idea of Soviet-Thai Friendship Association (BAN MUANG, 9 Jul 80).....	105
Indian Decision To Recognize PRK Criticized (BAN MUANG, 12 Jul 80).....	108
Editorial Urges Propaganda Campaign To Shore Up Foreign Support (Editorial; SIAM RAT, 12 Jul 80).....	112
Honorary Degree to Rightist Ex-Premier Called "Political" (SIAM RAT, 10 Jun 80).....	114

BANGLADESH

PRESIDENT RAHMAN GIVEN WARM WELCOME IN LONDON

Dacca THE BANGLADESH TIMES in English 17 Jun 80 pp 1, 8

[Text] London, June 16: President Ziaur Rahman was given a warm welcome when he arrived here this morning on a four-day official visit to the United Kingdom at the invitation of the Prime Minister Margaret Thatcher, reports BSS.

President Zia, who is the first Bangladesh President to pay an official visit to UK, was received at the Heathrow airport by the Lord-in-Waiting to the Queen, the Lord Mowbray and Strounton and British Foreign Secretary Lord Carrington.

It was a pleasant summer morning when the special Biman's aircraft carrying the President, Begum Ziaur Rahman and 19-member entourage landed at the airport after over twelve hours of journey from Dacca.

After alighting from the aircraft, the Bangladesh leader was taken to the saluting dias. He was given a guard of honour by smartly turned out contingents of Queen's Colour Squadron of the Royal Air Force.

During the airport ceremony the national anthems of Bangladesh and the United Kingdom were also played.

A large number of Bangladeshis residing in different parts of UK were present at the airport to greet their President. They raised slogans saying "long live President Zia" and carried a number of banners and festoons.

Foreign Secretary Lord Carrington said at the welcome ceremony at the airport that the British Government was very happy to receive the President of Bangladesh. He hoped that the four-day official visit of President Zia would further strengthen the "existing friendly" relations between the two countries.

Reciprocating the sentiments President Zia said that he, his wife and the 19-member entourage were "very happy" to be in the British capital on a short but "important visit." Both the countries would discuss "matters of mutual interest" and other issues related to international situation, he added.

The airport ceremony over the President was taken to Sheraton Park Tower Hotel about 20 miles from the airport in a ceremonial motorcade.

The presidential entourage includes Foreign Minister Prof Shamsul Huq, Home Minister, Mr A.S.M. Mustafizur Rahman, Planning Minister, Dr Fasihuddin Mahtab Press Consultant to the President, Mr Daud Khan Majlis, State Minister for Land Reform and Land Administration, Mr Mohammad Ismail, Deputy Minister for Food, Mr Iqbal Hussain Chowdhury Mr Oli Ahmed MP Mr Lutfar Rahman MP Mrs Fatema Chowdhury, MP Foreign Secretary Mr S.A.M.S. Kibria and Secretary to the President Mr Noor Mohammad.

Programme

President Ziaur Rahman will address here tomorrow a big meeting expected to be attended by a large number of Bangladeshis residing in London.

During the day the President will also visit Birmingham and Manchester where he will attend receptions to be given by Bangladeshis.

President Zia returns London, the same day in the evening.

CSO: 4220

REPORT ON PRESIDENT'S SPEECH AT LONDON LUNCHEON

Dacca THE BANGLADESH TIMES in English 17 Jun 80 pp 1, 8

[Text] London, June 16: President Ziaur Rahman today called for complete withdrawal of all foreign troops from Afghanistan and said that Bangladesh "upholds the sovereign rights of the people of Afghanistan to choose freely their own government," reports BSS.

Speaking at the luncheon meeting hosted in his honour at Waldorf Hotel here by the Diplomatic and Commonwealth Writers Association, President Zia said that the Afghan people should have the right to determine their "own political, economic and social system without any external interference or military intervention."

Referring to the incidents of Afghanistan the Middle-East and Indo-China, he said that these are "not isolated events" and clearly indicate the rising trend of armed intervention on the part of militarily stronger nations in the internal affairs of weaker ones."

"If the trend is not arrested, he said "the world will inexorably be driven to the brink of disaster which we all wish to avoid."

President Zia also indicated that Bangladesh, committed to the UN Charter, the principle of non-alignment and Organisation of the Islamic Conference, firmly believes in scrupulous respect for sovereign equality and territorial integrity of all states and strict adherence to rule of law in conducting the international relations.

President Zia said that Bangladesh was actively associated with the decision of the meeting of the Islamic Foreign Ministers to set up a three-member committee with powers to consult and negotiate for the peaceful settlement of Afghan problem. He said the main objective of the committee was to ensure an "independent, sovereign and nonaligned Afghanistan."

Middle East

Bangladesh also welcomed the recent initiatives of the European Community for the solution of the Middle East problems, he said adding, it is indeed

a step forward that the community had collectively recognised the right of self-determination for the Palestinians and expressed the unacceptability of any "unilateral initiatives" to change the status of Jerusalem and also condemned Israel's action in establishing settlements and modification of populations and property in the occupied Arab territories as illegal.

He said Bangladesh firmly believed that only through "complete withdrawal" of Israelis from all Arab territories including Jerusalem and restoration of just rights of the Palestinians and their right for a separate homeland a peaceful solution to the issue could be found.

Economic Crisis

Referring to the "crisis" in the economic sector, the Bangladesh leader said that while the developing countries were engaged in a grim struggle against the scourge of poverty, hunger, disease and illiteracy, the developed countries are battling against problems of inflation recession and unemployment.

He opined that a "restructuring of the world economic system" with a greater flow of capital to the developing countries is, therefore, a global imperative in the interest of peace, security and progress.

Events of 1971

President Zia said, my presence in your midst today brings back to my mind the traumatic events of 1971 when Bangladesh was engaged in her struggle for independence. The conscience of the entire international community was deeply moved by the heroic sacrifices of our people. I would like to take this opportunity to express my gratitude on behalf of the people of Bangladesh to the people of Great Britain and the media for the sense of concern that they showed and the moral support they extended during this struggle, thus contributing to the emergence of Bangladesh as an independent, sovereign state, he said.

Since then, the visiting President said, Bangladesh has passed through many crises. It is indeed a matter of gratification to us that the resolute efforts of our people to establish peace and stability, to cope with such natural problems as floods, droughts and cyclones and to move forward towards the national objective of social and economic development to raise the quality of the life of our people also attracted your sympathetic attention.

Peace a Must

President Zia said in order to accomplish the task of rapid economic and social development, Bangladesh views peace and stability as an essential prerequisite. This objective has also guided our efforts in the field of developing bilateral and international relations, he said.

Bangladesh is one of the countries with abundant human and natural resources though undeveloped. Energy forms a critical element of these resources. Bangladesh is literally floating on natural gas. Recently we have found oil and rich deposits of coal, hard rock and limestone, President Zia said and added the Second 5-Year National Development Plan of Bangladesh to be launched on the 1st of July next has been prepared keeping in view the country's enormous potential for development both in industry and agricultural involving a total public outlay of seven billion pound sterling (about 17 billion dollars) with the top priorities assigned to agriculture, population control and work-oriented education. Given the required supply of agricultural inputs such as water, fertilizer insecticide, we hope to be able to double our food production by the end of the plan period.

World Cooperation

President Zia said we expect Britain as a sister Commonwealth country not merely to participate actively in the implementation of our Second 5-Year Plan, but also in securing the cooperation of the rest of the international community. Given the capital inputs that we need for the next 5 to 10 years, we are confident that the vast resources of Bangladesh can be developed not only to benefit the people of Bangladesh but also to contribute to the sum-total of the well being of the world community.

In this context he referred to many historical and cultural bonds between Bangladesh and Great Britain. These bonds are manifested among others, in our shared human and democratic values, in the presence of a sizeable community of Bangladeshis and of Bangladesh origin in Britain engaged in productive work and in the active participation of Bangladesh as a member of the Commonwealth.

Bangladesh firmly believes that the Commonwealth can play an effective role not only in fostering cooperation for rapid development of the Commonwealth countries, but also in serving the cause of peace and progress. The peaceful solution of the Zimbabwe-Rhodesia problem stands out as a historic achievement in this direction.

The luncheon was also addressed by the Association's chief Mr Endru Waker who earlier gave short speech lauding the steps of President Zia for bringing back democracy in Bangladesh.

CSO: 4220

RAHMAN, THATCHER HOLD TALKS IN LONDON

Dacca THE BANGLADESH OBSERVER in English 17 Jun 80 p 1

[Article by Abdur Rahim]

[Text] London, June 16:--President Ziaur Rahman and British Prime Minister Margaret Thatcher held one and a half hours talks covering wide range of bilateral and international issues at 10 Downing Street this evening in a cordial and friendly atmosphere. The talks earlier scheduled to be held for 45 minutes extended to 90 minutes.

Earlier the two leaders had an exclusive talk for some time and later they were joined by Foreign Minister Prof Shamsul Haque Home Minister A.S.M. Mostafizur Rahman from Bangladesh side and Lord Carrington Foreign Secretary from Mrs Thatcher's side.

Emerging from talks a Bangladesh spokesman said British aid for Second Five-Year Plan featured prominently in the talks. The detailed discussion on the cooperation to the Second Five-Year Plan will be held later between Bangladesh Planning Minister Dr Fasihuddin Mahtab and British State Minister for Overseas Development Phil Martin.

The two leaders also exchanged views on international development and regional issues and expressed similarities of views the spokesman said.

President Zia was received by Mrs Thatcher at 10 Downing Street. While on his way the President was cheered by Bangladeshis there. Later in the evening, the President attended a reception arranged in his honour by the High Commissioner of Bangladesh in Britain.

On his arrival President Zia was given a rousing reception at the Heathrow airport. Bangladesh citizens living in Britain welcomed President Zia with banners and festoons.

A smartly turned out contingent of RAF regiment presented President Zia a guard of honour. National anthems of both Bangladesh and Britain were played.

Welcoming President Zia at the airport, Foreign Secretary Lord Carrington said that President Zia had two levels of representation here, first as a member of a Commonwealth country and, secondly, as a distinguished head of state.

In reply the Bangladesh Head of State said that he and his team would have discussions with the British Government officials on bilateral and international issues.

The airport ceremony over, the President was taken in a motorcade to the Sheraton Tower Hotel where the President and the members of his entourage would be staying during their four day official visit to Great Britain.

British Prime Minister Mrs Margaret Thatcher called on President Zia at his hotel suite and had a cordial discussion for about half an hour.

CSO: 4220

FINANCE MINISTER DISCUSSES REVISED BUDGET

Dacca THE BANGLADESH OBSERVER in English 17 Jun 80 pp 1, 8

[Text] Finance Minister Mr Saifur Rahman told the Jatiyo Sangsad on Monday that the Government had been pursuing the policy of maintaining proper budgetary discipline in its fiscal operations. He contended that a mere excess of Taka 72 crore in the revised revenue expenditure for 1979-80 over the original estimate for the year did not reflect any deviation from "budgetary discipline."

Winding up the general discussions in the House on the Supplementary Budget for 1979-80, he stated that the revised Budget of the Government did not necessarily tally with the original estimates anywhere in the world. He pointed out that there was provision for the Supplementary Budget under the constitution of the country.

The Finance Minister pointed out that the food subsidy for 1979-80 under the revised Budget exceeded the original estimate by about Taka 74 crore. This was mainly due to the large-scale food operations carried out by the Government to face the situation arising out of the drought, he maintained.

Referring to the criticism made by the Opposition members about the inflationary situation he said that the inflationary rate in 1979-80 at about 15 percent was comparatively lower than those in other countries in the region and also those within the comparable income levels. He observed that the Government was aware of the inflationary situation and was also anxious to lower down the rate of inflation in the country. Ceaseless efforts will be made in future to contain the inflationary pressures, he added.

Mr Saifur Rahman pointed out that he had offered the reasons for the additional expenditures on different heads of account in the Supplementary Budget.

Foreign Aid

About the criticism by the Opposition members about the dependence on foreign aid, the Finance Minister referred to his Budget speech and stated

that he had focused this issue adequately in the speech. He held the view that foreign aid was not merely an act of charity on the part of the donors for the Low Least Developed Countries like Bangladesh. Increasing quantum of foreign aid he observed is necessary to keep the wheels of global trade and commerce moving. The LLDCs have to depend on foreign aid as interim arrangement to attain self-sustained growth, he added.

About the defence expenditures under the revised Budget for 1979-80, the Minister said that the amount shown in the budget was the barest minimum one for a sovereign and independent nation like Bangladesh. While replying to the criticism by some Opposition members about the failure of the Government to reflect the economy of expenditures in its fiscal operations, he observed that the Government was much alive to the need for such economy of expenditures and assured the members that more vigorous efforts would be made in future in this sphere.

Police Administration

About the additional expenditure for police administration under the revised Budget, he said that such expenditures were needed for strengthening the police as an effective and organised unit to ensure law and order and to promote social stability in the country. He felt that Bangladesh Nationalist Party (BNP) believed in the politics of production and stability. He expressed the view that if the opposition political parties had taken such constructive stand, it would have been better for the country.

Referring to the contention of some Opposition members about the Government's failure to take the Jatiyo Sangsad into confidence in matters of effecting hikes in different utility rates and the prices of different items the Finance Minister pointed out that the sanction of the Jatiyo Sangsad was obligatory for the Government only for effecting any price increase through levying of taxes. He pointed out that different sector corporations and public utility bodies had to charge their prices and rates on commercial and economic levels. Nonetheless, the Government wants to ensure that such rates and prices do not become burdensome for the people, he said.

Mr Saifur Rahman noted that the Government paid no subsidy to the nationalised text sector. With regard to the nationalised jute sector he said that a favourable international price situation had now made it possible for the nationalised jute mills to run at profits. He assured the House that the Government would continue its efforts to consolidate the gains already achieved in the nationalised jute sector and to ensure capacity utilisation of the mills in future. [as printed]

After concluding his winding up speech on the general discussion on the Supplementary Budget for 1979-80 the Finance Minister moved the resolution for initiating a discussion in the House on the charged expenditure in the

Supplementary Budget. Only Prof. Mofizul Islam (BJL) took part in the discussion on the charged expenditure. He contended that incentive salary and incentive allowance should be given to the members of the judiciary. He pointed out that hundreds of thousands of cases were lying now pending before different courts and alleged that the existing mess in which the judiciary was placed had led to a situation in which the people were losing their confidence in the judiciary system as a whole.

Prof. Mofizul Islam contended that more allocations should be made for the judiciary for quick disposal of pending cases and decried the tendency to spend more on account of Police Administration.

He also pleaded for reducing wastage of public money involved for meeting the expenses for the foreign tours of the President. This he suggested should be made by curtailing the size of the presidential entourage.

Mr. Taleb Ali (Al-Malek) said that the Budget for the year 1979-80 could not achieve its target in agricultural and industrial sectors. The food-grains production was aimed at 133 lakh tons but, he added, the actual production was 129 lakh tons. The target for per capita income could not be achieved as the production in fields and factories was less during the year in spite of Government's much publicised "politics of production" he said.

During the current fiscal year he said prices of all items under nationalised sector were raised several times and the subsidy in ration, fertilizer insecticide was reduced. The Supplementary Budget he said did not show how much money Government had earned after reducing the subsidy. He said that crores of Taka had been spent in the name of development but with no tangible result.

Mr. Taleb Ali said that the Supplementary Budget had shown that more funds had been spent in education sector without any real development in the very vital sector of the country. He said that the country's education system was in a mess and the primary education was in a deplorable condition. The law and order situation, he said, had deteriorated in spite of increased spending for police and ansar.

He suggested to reduce the size of the Cabinet to save public spending, restrict import of luxury items, continue the subsidy on agricultural inputs, check corruption and utilise the remittances from abroad in productive purpose.

In his speech Mr. Shahjahan Siraj (JSD) criticised the huge spending in defence. He said that such a big spending in defence was not in the interest of the country and the people. The economic well-being of the jawans had not improved in comparison with the big spending in defence, he alleged. He said that when the Government was justifying this big

spending in the name of defending national sovereignty the armed forces remained silent on the annexure of an island of Bangladesh by a foreign country.

Referring to increased spending in jails Mr Shahjahan Siraj said that the conditions in different jails had not improved. He said that there were a number of firing incidents in different jails. He demanded repeal of the jail code that was framed in British regime.

Mr Rashed Khan Menon (Ganotantrik Andolan) said that the Budget year of 1979-80 was the year of raising prices of all items in the nationalised sector. The 1979-80 Budget, he said, was in the interest of the rich and the wealthy few and to make the country more dependent on foreign aid. The country's development plans, he alleged, were now being dictated by the donor countries and multi-national companies.

The chief of the IDL Parliamentary group Moulana Abdur Rahim criticised the extra spending beyond the budget allocation which reflected the Government's failure in reducing the public spending. By it the Government had violated the budgetary provision as passed by the Jatiyo Sangsad in the last budget session he said. He felt that there should be no Supplementary Budget in future and the Government must make a full budget for the year.

Col (rtd.) Shawkat Ali (Al-Malek) said that the Supplementary Budget for the current fiscal year had shown that Government had spent more than 100 crore in miscellaneous account against the budget allocation of Taka seven crore passed by the Jatiyo Sangsad in the last budget session. If the spending was made in this manner, he questioned, what was the use of passing a budget for a year. He criticised the "spending-free policy" of the Government violating the allocation passed by the Jatiyo Sangsad in different sectors in the budget.

Participating in the discussion Mr A.S.M. Solaiman (Gano Front) criticised the Government policy of passing the Supplementary Budget hastily by the Jatiyo Sangsad. The necessity of passing the extra spending of Taka 148 crore in the Supplementary Budget reflected the failure of the Government in making a full-fledged budget.

He said that the Supplementary Budget had shown that Taka one crore was spent under national canal digging programme when the Government had claimed of digging the canals with voluntary labour of the people.

CSO: 4220

BANGLADESH

FOREIGN MINISTER'S ACTIVITIES IN VIENNA REPORTED

Dacca THE BANGLADESH OBSERVER in English 16 Jun 80 pp 1, 12

[Text] Vienna, June 15: The Foreign Ministers of Bangladesh and Austria discussed bilateral and international matters of mutual interest in a "friendly and cordial atmosphere" here on Friday, reports BSS.

There was a marked similarity of views on most of the international issues.

Foreign Minister Prof Shamsul Huq came here on an official visit at the invitation of his Austrian counterpart Dr Willibald Pahr.

The meeting which lasted for over an hour was held at the Austrian chancellery in a hall adjacent to the historic room where the great political thinker Metternich used to work.

Prof. Huq called on President of Austria Dr Rudolf Kirschlaeger. He extended an invitation to the Austrian President on behalf of President Ziaur Rahman to visit Bangladesh.

At a lunch hosted in honour of Prof Huq the Austrian Foreign Minister Dr Pahr said that the visit would make a valuable contribution towards strengthening the existing friendly relations between the two countries.

Dr Pahr said that within short period Bangladesh had been able to earn appreciation and respect of the international community as a country dedicated to the cause of "world peace."

Bangladesh he said was playing an important role in the Security Council the Nonaligned Movement the Islamic Conference and other international bodies for upholding the cause of world peace and security. He also praised the Bangladesh role at the North South Dialogue in the efforts for the establishment of a new international economic order for what he said she always stood for cooperation and opposed confrontation.

Dr Pahr said that Austria had followed with great admiration the efforts being made by Bangladesh to eradicate poverty and unemployment to improve the economic condition and build a just society.

Prof Shamsul Huq also met Dr Nasbaumer the Austrian State Minister for Economic Cooperation. Dr Nasbaumer showed keen interest in developing economic cooperation with Bangladesh particularly in the context of implementation of her Second Five-Year Plan.

He is expected to visit Bangladesh on an invitation from Prof. Huq.

Prof Huq's visit first by a Bangladesh Minister is considered here as significant in many ways. The two countries having similarity of approach to many current international issues got an opportunity to exchange views on matters of mutual interest.

Bangladesh delegation during the two Foreign Minister's meeting included Mr A.K.H. Morshed Ambassador to Bonn Mr M.R. Osmany Director General Foreign Office.

Prof Huq met the Bangladesh community during his stay here.

CSO: 4220

JOURNALISTS URGE REPEAL OF PUBLICATIONS ACT

Dacca THE BANGLADESH OBSERVER in English 17 Jun 80 pp 1, 8

[Text] The Dacca Union of Journalists on Monday observed the "Black Day" and demanded immediate repeal of the Printing and Publications Act of 1973, says BSS.

On this day in 1975 all the newspapers and periodicals except four dailies were closed down by the then Government rendering hundreds of journalists jobless. To observe the day the DUJ organised a general meeting at the Jatiya Press Club.

Presided over by Mr Gias Kamal Chowdhury, President DUJ, the meeting adopted several resolutions demanding immediate publication of the enquiry committee report on the Newspaper Management Board and resolution of the Board.

The resolutions also demanded formation of unit trusts for the management of the Government owned newspapers and news agency.

The meeting demanded immediate formation of the Press Commission for a total assessment of the tense situation prevailing in the newspaper industries and formulate sound policy for the improvement of the industry as a whole in the interest of the nation.

The meeting observed that instead of democratic tolerance "fascist attack" were complicating gradually the political, economic and social conditions in the country. Attack by "fascist power" on different newspaper offices and working journalists was a part of that process.

Warning these attackers and the creators of problems, the meeting resolved that the journalists would face them fearlessly and were ready to sacrifice to safeguard the freedom of expressions of different shades of opinion.

The meeting was also addressed by Mr Ahmed Humayun and Mr Riazuddin Ahmed, President and General Secretary respectively of Bangladesh Federal Union

of Journalists (BFUJ) Syed Abdul Kahhar, General Secretary, DUJ, Mr Nirmal Sen former President of BFUJ Mr Durga Das Mukharjee President Bogra Union of Journalists, Mr Shah Alam and Mr Anwar Zahid Vice-President and member respectively of DUJ.

Mr Ahmed Humayun warned the Government about the serious consequences if the Government fail to keep its pledge made earlier to dissolve the Newspaper Management Board.

He observed that freedom of Press was being curved by the Government the owners and different "fascist" pressure groups and called for continuous struggle to achieve the freedom of expressions and reflect the hopes and aspirations of the people.

The BFUJ President said the journalists union will have to go ahead with its struggle for the interest of expressing opinion of different parties.

Making self criticism Mr Riazuddin Ahmed said the newspapers were being attacked due to the failure to reflect the hopes and aspirations of the people and urged to resist those forces unitedly who were creating obstacles in the freedom of Press.

Syed Abdul Kahhar alleged that the newspaper owners created imbalance in the wages of different categories of employees and dishonoured the journalists by increasing the wages of others by passing the Wage Board Award. He warned that any paper creating such imbalance would be dealt with seriously.

Mr Nirmal Sen urged for launching a movement by the journalists in the light of past failures.

In his presidential speech Mr Gias Kamal Chowdhury suggested debate in the National Assembly on the repeal of Press and Publications Act 1973. He demanded publication of the enquiry committee report on Newspaper Management Board within one week and resolution of the Board.

He said that newspaper industry was the only institution on which still people had some confidence and urged the journalist community to uphold that by reporting the overall situation in the country in the face of all sorts of obstacles.

He also urged the editors of the newspapers to be active in reflecting the aspirations of the people.

Referring to the mofussil journalists he said they had to face great harassment if the reports were not according to the wishes of the local administrations.

BANGLADESH

MUSLIM LEAGUE HOLDS NATIONAL COUNCIL SESSION

Dacca THE BANGLADESH TIMES in English 16 Jun 80 pp 1, 8

[Text] Khan A. Sobur and Kazi Abdul Kader have been elected as President and General Secretary respectively of the Central Executive Committee of Bangladesh Muslim League.

The election of the officebearers of the committee was held at the national council session of the party on Sunday at Dacca District Sports Association Auditorium. Mr Sobur inaugurated the session.

The council session of BML in a resolution condemned the aggression on the brotherly Muslim country Afghanistan by Soviet Union. It demanded withdrawal of Soviet occupation army from Afghanistan immediately.

In another resolution it protested hoisting of Indian flag on "Purbasha" island and said that the party considered the Indian action as a threat to the sovereignty of Bangladesh. The meeting expressed its concern on the adverse reaction caused to the economy and agriculture of Bangladesh by the Farakka barrage. It also protested the construction of groyen by India on the River Teesta and mobilization of Indian army along the border of Sylhet district.

In a separate resolution the meeting demanded to give back its former head office at Shahbagh. It also demanded release of the people who were convicted under Collaborators Act.

The meeting expressed its concern over the deterioration of law and order situation in the country and called upon the government to take immediate action in this regard.

BSS adds: A resolution demanded the right of self-determination for the people of Palestine and an end to Israeli occupation of the holy Baitul Mukaddas--the first Kebla of the Muslims.

The Conference expressed concern at the market condition characterised by increased prices as a reaction of the annual budget for 1980-81.

The conference also demanded a review of the government decision giving force-retirement to four experienced physicians.

Economic Condition

Inaugurating the council session Khan A. Sobur, President, Bangladesh Muslim League, expressed his concern over the "deteriorating" economic condition of the country and said that general people were now living a deplorable life in the wake of mounting problem that had cropped up due to defective policy of the government.

He said that thousands of people from the countryside were making bee line to the cities and towns in endless streams only for a morsel of food. This exodus of the commonman from the rural areas to towns and cities reflected the pitiable economic condition of the country, he said adding new industries and factories had not sprung up in the country due to faulty economic policy of the government.

About 1,200 councillors attended the inaugural session which was addressed, among others, by Mr Abdul Matin, Vice-President, Kazi Kader, General Secretary, Mrs Razia Faiz MP.

Present Govt.

The Muslim League Chief said that the people who had voted the present government to power were now frustrated as their hopes and aspirations had not been fulfilled. The high hope with which the Bangladesh Muslim League had extended its cooperation to President Zia in the election also now stood belied, he added.

Expressing his deep concern at the myriad of problems confronting the country, the veteran Muslim League leader, however, said his organisation was totally against creating new problems for the nation. We love the country and its people, and Bangladesh Muslim League would continue its struggle for the cause of the people in keeping with its high tradition. He stressed and added "so long as I shall live I will wage struggle for the poor."

Contribution of BML

Recalling the role of his organisation for the creation of Bangladesh, Khan A. Sobur pointed out the contribution of Muslim League for the emergence of sovereign nation was not in any way less. It would be impossible on the part of the people to forget the contribution of this organisation which had established Pakistan. Because of the establishment of Pakistan the creation of Bangladesh as a sovereign and independent state had been possible, he declared.

He further said that whatever propaganda some might spread against this organisation, the people of this country elected 12 representatives of Muslim League to the present Parliament. He told the gathering that BML had never befooled the masses by false promises. It had implemented in full the promises it made to the nation, he said.

Farakka

Mr Sobur who was critical of the 25-year treaty signed by Bangladesh with India in the past said that due to this treaty and "unequal Farakka agreement" the riverine districts of Khulna, Jessore Barisal, Noakhali and in fact, the whole country was being dried.

Relations with India

Describing India as a big and powerful country, he said we want to develop good neighbourly relations with India evading the course of "clash" and "disrespect" towards it. But he condemned the Indian move to grab Bangladesh land in Mohorir Char Noakhali and Purbasha islands Khulna in the Bay of Bengal by force. He hoped that the Governments of Bangladesh and India would conduct a joint survey to solve these problems.

He issued a warning against the impending troubles of the Muslim World saying that the two superpowers, the Soviet Union and the United States of America, were now engaged in dividing the world into two separate camps. The super powers were also prepared for a Third World War, he said.

Soviet Intervention

Mr Sobur condemned the Soviet military intervention in Afghanistan and said the Russian would make a "big mistake" if they thought that they would be able snatch away the freedom of Afghanistan by using these barbarous means. Afghanistan was not alone in the world today. The whole Muslim World was behind this country now, he declared.

Muslim World

Mr Sobur expressed his satisfaction at the growing might of the Muslim World and at the prospect of its becoming a third power in the world. He said that Iran today was moving along the path of Islam, shaking off the imperialist rule. The efforts of Iran to push ahead as an Islamic State had created new inspiration in the Muslim World, he added.

Mr Sobur called for declaring Bangladesh having 88 percent of Muslim population as an Islamic Republic of Bangladesh. He said he did not understand the mysterious reasons' standing in the way of declaring the country as an Islamic Republic. Almost the entire development expenditure of the country's budget was being propped up and fuelled by the Muslim country's including Saudi Arabia.

In a voice choked with emotion; Khan Sobur said he did not know whether Muslim League would be able to come to power. Whether he remained alive or not he appealed to the people to make the country Islamic Republic.

Canal Digging

Referring to the call of President Zia for revolution in various sectors including canal digging, Khan A. Sobur said we would respond to these calls after assessing their merits' on the basis of reality. His organisation would always extend its cooperation in the implementation of all programmes and policies for they were not fraught with imagination and fantasy.

As regards to the newly declared labour policy of the government, he said it did not conform to the minimum demands of the workers. We expected that the new labour policy would be in keeping with the ILO convention, he added.

Mr Sobur also expressed his reservation about the steps to strengthen the defence of the country and said much progress had not been made in this direction.

He appealed to the people to build the Bangladesh Muslim League as a mass organisation and said it is the organisation of the poor.

M.A. Matin

Addressing the council session, the Vice-President of Muslim League, Mr M.A. Matin, MP called upon the party leaders and workers to forge unity under a single command. He referred to those who had broken away from the party and said these leaders should come back sinking their differences to build up the Muslim League as a strong political organisation.

Officebearers

Our staff reporter adds: the newly elected officebearers of the Central Executive Committee of the party were: Khan A. Sobur, President, Messrs M. A. Matin MP, A.N.M. Yousuf, Noajish Ahmed, Begum Razja Faiz MP, Attabuddin Choudhury MP, G.A. Khan, S.A. Awal, A. Satar Khan Choudhury MP, Abdul Ahad Khan, Alhaj Alimullah Choudhury, Mahtabuddin Ahmed Mashjul Azam Khan and Alhaj Abdul Jabbar Vice-Presidents, Kazi Abdul Kader General Secretary Mr Jamir Ali Organising Secretary Mr Redwanul Bari, Publicity Secretary Syed Golam Nakir Treasurer Noorjahan Begum Secretary Women Affairs messrs Almas Hossain MP Ibrahim Hossain Kazi Agaduzzanian (Montu Kazi), M.A. Salam and Mohammad Ali Joint Secretaries and messrs Ismail Hossain Talukdar MP I.S.M. Keramat Ali Alauodin Ahmed Abdul Hamid Khan and Nazmul Hossain Khan Assistant Secretaries.

CSO: 4220

PRIORITY GIVEN TO OIL EXPLORATION PROGRAM

Kuala Lumpur BUSINESS TIMES in English 26 Jun 80 p 6

[Article by Mufazzal Hossain in Dacca]

[Text]

JAPAN has agreed to undertake onshore oil exploration in Bangladesh, bringing closer to reality an old Tokyo proposal that dates back to the early days of Bangladesh.

In the early 1970s, Japan had offered to develop Bangladesh's oil fields, but the late Prime Minister Sheikh Mujibur Rahman had shown no interest in the proposal.

Japan recently sent Mr Takashi Hayakawa, a leading member of the Japanese Diet, to Dacca as a special envoy of the late Prime Minister Masayoshi Ohira to finalise the agreement for Japanese exploration of Bangladesh oil fields.

Mr Hayakawa's trip produced an agreement whereby Japan would conduct a survey of the Bakhrabad gas fields. The project will cost taka 30 crore (US\$18 million).

Bangladesh's search for oil spans almost 20 years. British companies and Pakistan had launched sporadic efforts to discover oil with no tangible results.

But recent diggings at Begumganj in the coastal district of Noakhali have raised new hopes of finding oil. The Begumganj diggings produced hydrocarbon in substantial quantities.

The discovery of hydrocarbon at Begumganj spurred an urgent order from President Ziaur Rahman to Minister for Petroleum, Lt. Col. Akbar Hossain to bore deeper wells.

Oil exploration in Begumganj started way back in 1971, but the effort has been half-hearted, at best. British oil explorers discovered oil in the North-Eastern Sylhet district bordering Assam, but the field was not fully developed because it was not considered commercially viable.

The Pakistanis also undertook oil explorations, but their efforts were limited to onshore drilling. Finding no oil, they abandoned the search.

After Bangladesh won independence from Pakistan, oil exploration entered a new phase. Some 30,000 acres of the country's territorial waters in the Bay of Bengal were leased to six foreign companies for oil exploration purposes.

But like previous oil exploration ventures, explorers found no oil and they left the country one after the other.

Before Bangladesh gained independence, Pakistan and the Soviet Union undertook joint oil exploration ventures in the

country. The arrangements continued after independence, but Bangladesh had shown increasing dissatisfaction with the slow pace of the exploration effort.

Mr Hossain was particularly unhappy with the slow-moving rigs of the Soviet explorers. He said Bangladesh wanted the cooperation of all friendly countries in the development of the country's oil fields, but he emphasised that "fast-moving rigs of any country are welcome."

Mr Hossain's position underscores Bangladesh's anxiety over the slow progress of oil exploration in the country. He told Depthnews that any further delay in finding oil could be disastrous to any country considering the skyrocketing cost of the commodity, but this problem is even more acute to an overpopulated nation like Bangladesh.

Despite initial setbacks, Mr Hossain is confident more than ever that Bangladesh's oil quest will have a happy ending. The country will embark this year on its biggest oil gamble under the Second Five Year Plan (SFYP) which starts early next month.

At least 30 onshore drillings will be carried out during the next five year, and updated statistics on liquefied

natural gas (LNG) are doubly encouraging.

Findings by British and West German seismic teams show that eight fields alone contain 2.6 trillion cubic feet of gas. The total national gas reserves has been estimated at 20 trillion cubic feet.

When fully tapped, Bangladesh's gas reserves could inject badly needed foreign exchange in the country's economy. One LNG plant alone could readily fetch an estimated US\$200 million.

Development of gas reserves has been stepped up. Algeria, which boasts of LNG plants, is cooperating with Bangladesh in the development of the country's gas potentials.

Dacca has also signed an agreement with London for the establishment of an LNG plant. But the LNG project is contingent on the discovery of at least 5.6 trillion cubic feet of gas. Otherwise, any reserves below this would render the project unviable commercially.

Moreover, the agreement with London calls for the establishment of the LNG plant within 20 months, or not at all.

The SPYP was designed to attain two overriding objectives, namely the mobilisation of all available resources to

augment oil and gas production and to substitute oil with gas in various industrial endeavours.

Mr Hossain told Dep-thnews that if oil is not found in sufficient quantity, Bangladesh would fall back on the more abundant gas reserves to generate foreign exchange. But the nation is divided not only on the prospects of exporting gas but also on the wisdom of funneling massive investments into LNG projects.

Another major constraint is foreign financing. World Bank President Robert McNamara recently told Mr Rahman in Dacca that Bangladesh would be entitled to increased WB development aid if its exports increased threefold from its present capacity.

Undimmed, Dacca is placing its faith in future oil finds. Sylhet had been billed as a promising venture because the British found oil in the area although they failed to fully develop it.

Shell Oil has also resumed negotiations with the Bangladesh government for oil exploration in the Chittagong Hill Tracts. Together, oil exploration efforts could lift the country from its present economic difficulties.

BRIEFS

PRESIDENT'S GREETINGS--London, June 16:--President Ziaur Rahman today sent separate messages of greetings to 12 heads of Asian and European nations wishing them continued peace and prosperity of their people while over flying these countries on his way to London from Dacca reports BSS. President Zia, who came here on a four day official visit, sent the messages to President Neelam Sanjiva Reddy of India, President General Ziaul Huq of Pakistan, President Sheikh Zayed Bin Sultan Al Nahayan of the UAE, Amir of Bahrain, Sheikh Isa Bin Salman Al Khalifa Amir of Kuwait, Jaber Al Ahmad Al-Jaber, President Saddam Hussain of Iraq, President Fahri S. Kuruturk of Turkey, President Tudorzhivov of Bulgaria, President Cailjetin Mijatovic of Yugoslavia President Dr Rudolf Kirchschlenger of Austria, President Dr Arl Carstens of West Germany and the King Boudin of Belgium. President Zia in his messages conveyed good wishes for the personal health and happiness of the heads of state and hoped that the friendship of Bangladesh with those countries would continue to grow in the years to come. [Text] [Dacca THE BANGLADESH OBSERVER in English 17 Jun 80 p 1]

CSO: 4220

KING MEETS WITH INDIAN GOODWILL GROUP

New Delhi PATRIOT in English 16 Jun 80 p 3

[Text] King of Bhutan Jigme Singye Wangchuk has said that "Indo-Bhutan relations are a fine example of friendly cooperation between nations based on the principles of peaceful coexistence" reports UNI.

The King said "It is our firm intention to continue promoting deepening and enriching our ties with India."

The King expressed these views to an eight-member Indian goodwill delegation led by Mr R.N. Anil, Secretary-General of the Indo-Bhutan Friendship Association which has just returned from a visit to Thimphu.

Begum Abida Ahmed President of the Association will be leading another goodwill delegation to Bhutan in September this year.

The King told the delegation that "ever since India's independence the friendship between our two countries had continually been gaining in scope and strength."

Referring to the developments in Bhutan the King said his country had received generous financial and technical cooperation "particularly from our neighbour India which has itself achieved remarkable progress and has helped Bhutan's economy too."

The King observed that there had been tremendous changes in Bhutan during the last two decades. He said the long and tedious journey's which once took several days could now be made in a few hours. Several commodities and services which were out of reach earlier were now readily available. He said hydro-electric projects have brought power to many homes and have helped industrialisation to some extent for the first time. •

The King said "our small population ample land and rich resources would definitely help us to realise our dream of a modern, prosperous Bhutan."

CSO: 4220

FORMER DEFENSE MINISTER RETURNS FROM EXILE

Kuala Lumpur BUSINESS TIMES in English 25 Jun 80 p 19

[Article by Zaw Win in Rangoon]

[Text]

A STOCKY, white-haired man in green uniform and mottled jungle hat has emerged from north-western Thailand, where he has led the hard life of a guerrilla and labourer for the past eight years, to be reunited with his family under the Burmese government's amnesty for surrendered rebels.

He is Bohmu Aung, 70, a former Burmese freedom fighter, Defence Minister and speaker of Parliament, who left Burma in 1972 to join the cause of Burmese exile rebels in Thailand.

He became chairman of the Exile Anti-Fascist People's Unity Party, a splinter group of the now defunct parliamentary Democracy Party formed by former Burmese Premier U Nu for armed struggle against President Ne Win's government.

Bohmu — the Burmese for commander Aung was also the Chief of Staff of the armed wing of his party which, he said, commanded at one time more than 100 armed Burmese exiles.

But now he has given it all up as a lost cause and surrendered to Burmese authorities with 40 of his

followers.

They arrived by air from Bangkok on Saturday after arranging their surrender through the Thai government.

"We were guerrillas, but for the past four years we had been living the hard life of labourers as we were required by the Thai authorities to give up arms or leave their country," he told reporters at the Rangoon airport.

Aung and his followers chose to give up their arms to the Thai authorities and eventually settled down, in 1976, as labourers in forestry projects at Kwe Sai village, in Mae Hong Son district of north-west Thailand, about 60 kilometres from the Thai-Burmese border.

He said they were underpaid for their labour as non-Thais, even though they did the same

jobs of clearing the jungles and working the land for the forestry projects.

He said he was glad to have a chance to return home to become a Burmese citizen again under the Burmese government's Amnesty Order.

"About 30 of my men who married Thai women still remain in Thailand at the moment for family reasons," he said.

"The Burmese exile rebels no longer exist as a movement since the death of Bo Let Ya about two years ago," Bohmu Aung said. "Bo Let Ya was killed by the Karen insurgents who controlled the entire length of rebel territory from Mae Bot to the 'Three Pagodas' pass on the Thai-Burmese border," he added.

Bo Let Ya, like Bohmu Aung, was one of the senior members of the famed "Thirty Comrades" of Burmese freedom fighters who received their military training in war time Japan together with President Ne Win.

Afterwards, they went their separate ways. Bo Let Ya became the mili-

tary leader of the main Burmese exile rebel force in Thailand before he was killed by the Karens.

Bohmu Aung said many Burmese exiles had perished at the hands of Kaw Thu Lay (Karen) guerrillas who followed a policy of destroying all the Burmese they could catch.

"We heard that U Thwin, another exile rebel leader, has been put into jail by the Thai authorities," Bohmu Aung said.

He said the exiles began to feel the pinch in the mid-Seventies, when the Thai government took a harder line toward the Burmese rebels, requiring them either to give up arms or leave the country.

In February, 1978 the Thai government said it had expelled seven Burmese rebel leaders, including Bohmu Aung, Bo Let Ya, Bo Yan Naing — another member of the "Thirty Comrades" — U Thwin and Zail Maw.

But Bohmu Aung said he did not know the present whereabouts of other prominent exile rebel leaders. — Reuter

SHIFT IN VOTING PATTERN IN PUNJAB ANALYSED

Bombay THE TIMES OF INDIA in English 18 Jun 80 p 9

[Article by K. S. Khosla]

[Text] Chandigarh, June 17.

The recent elections to the Punjab vidhan sabha have shown that statistical data are not always a sure guide to judge a party's popularity or strength in the legislative body.

For example, the Congress(I) contested all 117 seats this time and won 63 with a 45 percent vote. In the June 1977 assembly elections, it fielded 96 candidates but could win only 17 seats with about 34 percent vote.

In the 1972 elections, when the Indira Congress was at the height of its popularity, it obtained 43 percent but bagged 65 seats out of the 88 it contested.

The same story is repeated in the case of the Akali Dal, the main rival of the Congress(I) in the state. In the 1977 elections, it bagged 58 seats with about 32 percent vote. This time, with a poll percentage of 25.5, it has won 37 seats and that too with the support of the CPI and the CPM. In the 1972 elections, the Akali Dal could secure only 24 seats though its poll percentage was about 28.

The CPI contested 18 seats in 1977 and 1980 but it captured nine seats now with a six percent vote against seven seats in 1977 with a 6.60 percent vote. The CPM, with a 3.5 percent vote in 1977, won eight seats against its five seats now with a four percent vote.

The point is perhaps best illustrated by the fate of the Janata party. The united Janata bagged 25 seats in 1977 with a 15 percent vote. It had then contested 41 seats.

The fragmented units of the party, including the BJP (former Jana Sangh), the Lok Dal led by Mr Charan Singh, and the Janata (S) of Mr Raj Narain

and the Janata party led by Mr Chandra Shekhar, contested more than 103 seats but only the BJP could capture one seat with a 6.5 percent vote. The fragmented units together polled 9.3 percent vote.

Seat-wise and percentage-wise, the Congress (I)'s achievement this time is more or less the same as in 1972, which shows that the recent shortages and rise in prices have not affected its basic strength.

There has, however, been a visible shift in the voting pattern and alienation of part of a section of its following. The Sikhs, by and large, have voted for the Akali Dal, though the Congress (I) has secured some seats in the Akali belt. Similarly, most Hindus and Harijans have voted for the Congress (I) to the discomfiture of the BJP.

Voting on communal and caste basis is the most significant feature of this election. In the event, the Sikhs, who constitute about 55 percent of the population, have managed to secure around 70 percent representation in the vidhan sabha. Similarly the Jats, who form about 30 percent of the people, have around 53 percent representation.

This is the result of both the Akali-CPI-CPM front and the Congress (I) selecting more Sikhs, and from among them Jats, as their nominees.

The fielding of Sikh candidates by the Akali Dal is understandable, but this time the Congress(I) too, whether deliberately or otherwise, nominated more Sikh candidates. As a result of this, the new vidhan sabha consists of 83 Sikhs and 33 Hindus. One MLA is a Congress(I) Muslim.

Again 61 are Jats and the rest are non-Jats, Harijans and others.

One factor which has helped the Congress(I) is the 500,000 to 600,000 votes of agricultural labourers from U.P. and Bihar. Being non-Sikhs, they have voted, by and large for the Congress(I).

But what probably contributed to the small majority of the Congress(I) was the statement of Mr Sanjay Gandhi during his tour of Punjab indicating that only a like-minded government in the state would get economic aid from the Centre.

The Sikhs, though in majority, are still not sure of themselves. Any talk of like-mindedness between the Centre and the states awakens the fear of "dominance and absorption" by the Centre. Though everyone knows that what Mr Gandhi meant was that with better cooperation, speedier development could take place, the Akali Dal made political capital out of his statement.

It is rather strange that even the communists, though ideologically secular and non-communal, are gradually spreading their influence in the state by aligning themselves with the Sikh religion.

The reasons are not far to seek. The Sikhs are a well-knit society. Almost every village has a gurdwara of its own. A gurdwara is not only a place of worship. It is a community kitchen, a hospital, a school and a social club, all rolled into one.

It is, in fact, a living example of the commune concept of the communists. The only difference is that whereas in a communist state loyalty to the leader is unquestioned, in a gurdwara even the tallest leader can be criticised.

The communists will have to depend on the Sikh peasantry to consolidate their hold, as there is not much of industrial labour in the state and most of the agricultural labour is of U.P. and Bihar origin. But there is a limit to which even the communists can go in Punjab. The concept of loyalty and subservience to the leader is alien to the Jat character and ego.

CSO: 4220

ASSISTANCE TO IRAN, CONCERN OVER PAYMENTS

Kuala Lumpur BUSINESS TIMES in English 16 Jun 80 p 1

[Article by K.K. Sharma]

[Text]

THE Indian government has agreed to ship to Iran on an urgent basis a number of food products and industrial equipment that Teheran needs quickly to beat the US and EEC sanctions.

Further talks are to be held on economic cooperation between the countries and indications are that India will move into areas left vacant by the US and European countries, especially in setting up industrial plants.

Immediate supplies are to be made of such agricultural products as rice, wheat and cereals of which India has built up a four million-tonne stock over the past four years.

But Indian officials have told the Iranians that their requirements of such items as cement, steel and sugar will not be possible to meet immediately because of domestic shortages.

Decisions on increased trade and economic contacts — which will make India a major trading partner of Iran and enable Indian companies to fill the gap caused by withdrawal of Western firms — were taken in week-long talks between Iranian Commerce Minister Reza Sadr and his Indian counterpart Pranab Mukherjee.

Although the Indian government is playing the agreements reached on a low key so that the US and European countries are not annoyed, in effect they mean that India has agreed to help Iran in areas needed to beat the sanctions.

This will enable India to fill the trade gap which has widened significantly with the rise in imported oil prices with Iran agreeing to supply crude to India on a long-

term basis, such trade is needed to pay for the badly-needed oil especially as India's foreign exchange reserves are now falling sharply.

Apart from the short-term supplies India is to make to Iran, the two countries have agreed to exchange delegations to find ways to collaborate in a wide range of economic activity.

This includes management of plants in Iran, setting up of industrial estates, taking on of major construction contracts by Indian firms, improvement of Iran's cargo shipping capacity and helping Iran to increase its food production.

Indian businessmen are overjoyed by the opportunities presented to them in the Iran market because of the sanctions

but are anxious to make foolproof arrangements for payment.

This is because Iran has defaulted in payments due for the Kudremukh iron ore project in India which has been commissioned solely to meet Iran's needs. About US\$400 million are overdue.

The Indian government and businessmen are studying a shopping list that the Iranians have presented consisting of industrial, chemical and agricultural items. Agreement has been reached in principle on most of them and talks are to be held on others.

No figure has yet been put on how much the trade deals will be worth but unofficial estimates are that these will eventually run into hundreds of millions of dollars with considerable potential for growth. — FT

MINISTER RULES OUT TAKEOVER OF FOREIGN BANKS

Madras THE HINDU in English 17 Jun 80 p 10

[Text]

NEW DELHI, June 16.

The Finance Minister, Mr. R. Venkataraman, today ruled out nationalisation of foreign banks in the country.

"It is not our policy," he said, replying to the general discussion on the Banking Companies (acquisition and transfer of undertakings) Bill in the Lok Sabha today.

The policy was also based on the principle of mutuality. There were 127 branches of foreign banks in the country and 128 of Indian banks in foreign countries.

"If we rationalise the foreign banks, we will have to close down our banks abroad," he said.

The Opposition members who had earlier pleaded for the takeover protested against the Minister's statement.

But Mr. Venkataraman was firm: "We have given no such commitment to the people in our election manifesto and our policy has been endorsed by the people, not yours," he said.

After the Minister's reply, the bill was passed. Amendments moved during the second reading were withdrawn.

The bill seeks to replace an ordinance promulgated in April to takeover six more commercial banks.

Mr. Venkataraman cited the experience of nationalisation of life insurance and told the House how Indian companies abroad were asked to close down and the Government had to negotiate hard. Therefore, for the simple

reason that Indian banks had to exist abroad, the Government could not accept the Opposition suggestion.

Mr. Venkataraman said he was 'shocked' that the former Minister, Mr. Satish Agarwal, had questioned the 'urgency' with which nationalisation had been brought about. The secrecy was to prevent manipulations and consequent harm to the country.

He explained that March 14 was fixed as the date for taking into account the demand and time liabilities of the banks as it took about a month to collect data. Nationalisation could be done only thereafter. This was how nationalisation of 14 banks was effected in 1969 also.

To the criticism that nationalised banks were returning lower profits, he said these banks had now to cater to priority sectors by lending about 40 per cent of their advance at concessional rates of interest.

Again one per cent of their total lending had to be at differential rates. Naturally the banks' profits could not be as high as those of the private sector.

Replying to an allegation that a large amount of black money passed through the nationalised banks Mr. Venkataraman said the Government was determined to ensure that these banks were not misused as instruments of investment of black money.

A suggestion that members of Parliament should be represented on Boards of Directors of the

nationalised banks would be carefully examined.

Earlier during the debate members demanded more effective Parliamentary control over the nationalised banks.

They criticised the manner in which the huge funds at the disposal of the banking system were being utilised. They also complained of deterioration in customer service and of inefficiency.

Mr. M. C. Daga (Cong-I) said members of Parliament should be represented in the boards of directors of the nationalised banks to ensure that the objectives of nationalisation were realised.

Mr. M. Kandaswami (DMK) complained of difficulties the weaker sections faced in securing loans. Private commercial banks having deposits of more than Rs. 100 crores should be nationalised.

Mr. Satish Agarwal (BJP) wanted a closer look into the functioning of the banking system. It had created regional imbalances and disparities as more than 60 per cent of agricultural loans had gone to six States with a rural population of about 35 per cent. A huge amount of black money was circulating through the banks.

Mr. Oscar Fernandes (Cong-I) felt that in the past two years the nationalised banks seemed to have lost sight of the objectives.

Mr. T. R. Shamanna (Janata) wanted nationalisation of all banks with deposits of more than Rs. 100 crores and asked why the deposit criteria of Rs. 50 crores followed in 1969 had now been raised to Rs. 200 crores.

Mr. P. Rajagopal Naidu (Cong-I) said there should be a uniform policy for the issue of loans—PTI and UNI.

NEW DELHI SHOPPING FOR MILITARY HARDWARE

Kuala Lumpur BUSINESS TIMES in English 25 Jun 80 p 6

[Article by Prakash Chandra]

[Text]

INDIA's search for more sophisticated arms is likely to become more intense as the Saudis are seeking US aid for Pakistani armed forces.

Indeed, Saudi Arabia, according to experts here, has all the money in the world to re-modernise Pakistan's air force, army and navy with American military hardware.

The recent Indo-Pakistan exchanges at a high level have revealed that Islamabad is keen to maintain good relations with New Delhi. And part of that diplomatic dialogue related to the refusal of Islamabad to accept American military aid.

But whatever the American or Pakistani postures on the question of arms, one factor is clear. India is getting increasingly dependent on Soviet arms for the needs of its own military forces.

A recent military delegation, led by Defence Production Secretary Mr S.S. Sidhu and including high officials, has negotiated a deal costing more than a billion US dollars with Moscow.

Usually, experts here

are very cagey about the nature of supplies of arms from Moscow to India. But all the indications are that the Indian mission has already concluded a deal which would provide a steady supply of modern T-72 tanks which would be useful to the Indian army, especially when it has an effective air cover.

A considerable advantage India has over other neighbouring countries (with the exception of China) is that it has inherent capacity to design, adapt and eventually manufacture a vast range of sophisticated missiles, aircraft, tanks and guns.

According to one estimate, New Delhi has invested more than US\$2 billion spread over many ordnance factories, aircraft plants and similar facilities.

It is difficult to estimate the number of scientists trained by these establishments. They number thousands. Scores of highly-skilled experts have migrated to Britain, the US, West Germany and Canada because the Indian government does not pay them

the right salaries or give them incentives for inventions or adaptations of new ideas. The "brain drain" is massive.

The over-dependence of New Delhi on Soviet defence production unit is not only evidenced by the recent purchase of T-72 tanks. There is also a strong possibility of India buying MIG-23 aircraft which are more sophisticated than MIG-21. MIG-23 fighters are expected to supplement the role of Jaguar planes, which are being bought from the British.

Besides, the Russians are selling warships to the Indian Navy. The old link between the Indian Navy and the Royal Navy was snapped because the Wilson government refused to sell British submarines to India on a credit system.

Also, the Labour government of the time was obsessed by the need of equating India with Pakistan in almost all matters — military, political and economic.

Fortunately, for New Delhi and London that spell has been broken. British policy-makers have now realised that

Pakistan is a small country which does not have the same arms requirements as India with two long borders, one with China and the other with Pakistan and a long coastal line.

More modern Soviet warships are soon to be delivered to the Indian Navy, although New Delhi is already producing a British warship which has the classified "black box" equipment to monitor the movement of submarines.

Soviet submarines, which have been in use in India, have not apparently been found to be effective by the Indian navy. Efforts are, therefore, underway to find a suitable submarine from France, Italy or Sweden for local manufacture.

The reason is quite simple, although India prefers to buy from the Russians, some policy planners believe that it is not wise to put all your eggs in the Russian basket.

Naval experts have, therefore, concluded that New Delhi must buy submarines from Sweden which is regarded as a neutral country.

The Joint Chiefs of Staff Committee, which has drawn up a five-year rolling defence plan for the armed forces, had sometime ago submitted its report. The then Prime Minister, Mr Morarji Desai, had given it high priority.

According to Press reports, it appears that a minimum expenditure of Rs 50,000 million (US\$6,274 million) was required. But this had somewhat shaken Mr Desai's faith in his puritanical doctrines. A defence mission, which had gone to Moscow, had almost concluded deals worth Rs 20,000 million (US\$2,510 million).

The arrival of Mr Charan Singh on the scene seemed to have upset all these arrangements. Now that Mrs Gandhi is there, it is easier for senior officials to pick up the thread and resume negotiations with the West as well as the Russians.

Both Moscow and Western governments realise that the Indians are tough negotiators and

cannot be taken for granted. The French president during his recent visit had indicated that he was willing to sell whatever India wanted. But the price had to be economic and perhaps could not be reduced to meet New Delhi's needs.

Actually, India is not going around with the request to reduce the price of arms. But Western capitals have been clearly told that India is a big country and requires sophisticated weapon systems which keep on changing from generation to generation.

Right now, Delhi is spending over Rs 45,000 million (US\$5,646 million) annually on defence. And the chances are that defence expenditure will go up by 1990, when the rolling plan goes through, to Rs 110,000 million (US\$13,802 million), most of it in foreign exchange.

There are experts who say that India should not compete with China as the latter goes on producing and testing its ICBM weapons systems. And there are no signs that India will compete with China either in nuclear hardware or in the matter of sophisticated weapons.

So far as its mountain divisions are concerned, the Indian forces are well equipped. But one problem, perhaps, is finding a suitable transport aircraft, although the air force has picked up the Russian Antonov-32.

There are some indications that not all experts are happy with the choice of this aircraft when more sophisticated equipment is available from Western sources. But then the Italian transport aircraft, G-222,

for example, costs something like US\$8 million. And the Russian plane AN-32 was priced at only Rs 6 million (US\$753,000).

There are political disadvantages of the Russian bear hug.

The Janata government had tried very hard to diversify its purchases. The Prime Minister at the time, Mr Desai, was reported to have made a strong bid to buy some arms from the Americans. But, as usual, Washington was elusive.

As one American diplomat put it, "How can you trust classified equipment in the hands of the Indian armed forces when you are dealing with the Soviets? Of course, we know that weapons obtained from the two sides are kept in separate baskets. But how long? This is our dilemma."

"Besides, the Pentagon has one policy-frame about arms sales to friendly countries and the State Department has quite another. Somehow, the Indian shopping picture does not fit in Washington. Call it discrimination, if you like."

While all this arms shopping goes on, the fact remains that India has more than 220,000,000 hungry people who are waiting below the bread line. To these poor peasants it does not matter whether New Delhi is buying tanks from Moscow or Paris and what kind of planes the air force is flying.

This is one of the basic contradictions of the Indian society and New Delhi's system of government where the right arm is not bothered about what the left arm is doing. — Depthnews Asia

REPORT DETAILS TRANSFERS OF BIHAR COMMISSIONERS

New Delhi PATRIOT in English 16 Jun 80 p 4

[Text]

PATNA, June 15 — Bihar Government yesterday issued orders regarding transfer of about a dozen commissioner rank officials.

According to official circles Land Reforms Commissioner Shival Nandan Sharma has been made Secretary and Commissioner in the Animal Husbandry and Fisheries Department. Adviser to the Governor J G Kunte, who is presently on leave, has been posted as the Additional Member of the Revenue Board.

The Government also decided to appoint Power and Irrigation Commissioner A K M Hasan as the Commissioner of South Chotanagur division while Mines and Geology Commissioner C R Venkataraman would take over the charge from Mr Hasan. He would also work as Secretary to the State Governments. Animal Husbandry and Fisheries Department Commissioner R C Arora has been made Land Reforms Commissioner.

Kumar Suresh Singh, who till recently was holding the post of Commissioner in Ranchi and South Chotanagur division has been transferred and posted as Secretary and Commissioner in Welfare Department. Commissioner of Bhagalpur Arun Pathak has been made Home Secretary.

Bihar State Sugar Mills Corporation Chairman-cum Managing Director Ravindra Kumar Sinha has been transferred and posted as the Commercial Tax Commissioner. Mr Sachidanand Sinha, who is presently on his official training abroad, has been tipped as Kosi Region Development Commissioner.

Tribal Welfare Commissioner in Ranchi K B Saxena has been posted as Secretary and Commissioner in the Labour and Employment Department.

State Transport Corporation chairman P S Mukhopadhyay has been made commissioner of Tirhut division, while Commissioner of Darbhanga Bhaskar Nanerice has been posted as the Secretary of the State Government.

Mr Shiv Kumar Shrivastava, Commissioner in Public Health and Engineering Department has been transferred to the Central Government. Mr Mrityunjay Jha working in the Chief Minister's Secretariat has also been transferred to the Centre and posted as Joint Secretary in the Union Ministry of Irrigation. Besides, Labour and Employment Commissioner Ishwar Chandra Kumar has also been transferred as Joint Secretary of the Union Ministry of States.

MANIPUR STUDENTS SET CUTOFF YEAR AS 1949

Bombay THE TIMES OF INDIA in English 17 Jun 80 p 7

[Text] Imphal, June 16 (UNI).

The All-Manipur Students' Union (AMSU) and the All-Manipur Students' Coordinating Committee, sponsors of the foreigners issue in the state, have set the cut-off line as October 15, 1949, the day of Manipur's integration with India, and demanded the revival of the pre-1950 inner line system to restrict fresh entry.

The two organisations have demanded that the Centre should be responsible for deporting all foreigners who entered Manipur on October 15, 1949.

A booklet, jointly published by the two organisations, contends that when the Indian constitution was drafted there was no representative of Manipuris to express their opinion.

The students have demanded among other things, that both the hills and plains people should be allowed to purchase land by amending the Manipur revenue and land reforms act, 1960. Under the existing rules, an area comprising 20,126 sq. km. has been kept reserved for the hills people.

Meanwhile, the Manipur central district magistrate has extended the period of the prohibitory orders in force to all the approach roads leading to the chief minister's house up to July 15.

The State Bank of India opened today, but it could not honour any government bill or cheque, as there was no sufficient cash in the bank.

Meanwhile, 53 detenus were released on the recommendation of the P.D. advisory board. There are now 59 detenus.

PTI adds:

According to the Manipur education minister, Mr Irenonam Tompak Singh, Nepalīs who came to Manipur after 1976 will be treated as "foreigners and will be deported from the state very soon.

Talking to newsmen here today on his return from Delhi, Mr Singh said the introduction of inner-line permits would help contain the inflow of foreigners to the state.

He said a nine-party delegation from the state which had recently been to Delhi submitted a memorandum to the prime minister on the foreign nationals issue.

Mr Singh said during his discussion with the Prime Minister, she had assured him that a bill for the inclusion of Manipuri language in the eight schedule of the constitution would be introduced soon in the Lok Sabha.

Meanwhile, the Manipur government today warned the student organisations against their unilateral decision in detecting "foreigners" in the state.

CSO: 4220

MANIPUR ASKS DELETION OF NEWSREEL SHOWING TROUBLES

Bombay THE TIMES OF INDIA in English 18 Jun 80 p 13

[Article by Khalid Mohamed]

[Text] Bombay, June 17: An item in a Films Division newsreel showing the troubled political situation in Manipur as a result of the breakdown of law and order in the state is understood to have been deleted.

The Manipur government reportedly requested all the other state governments as well as the Centre to order to deletion as it showed conditions in the state in an unfavourable light.

The newsreel (No 1647) was released in all the metropolitan cities during May. The newsreel item showed the imposition of curfew in Imphal, the destruction caused by miscreants and homeless men, women and children seeking shelter in makeshift camps in Imphal.

Though the item depicted the situation in Manipur as was widely reported in the press for nearly two months now, the Manipur government is understood to have pressed for its deletion lest it should be highlighted through the visual medium in the smaller cities and rural areas.

The news short was filmed by a Films Division cameraman, who flew down from Calcutta to the state on hearing of the trouble conditions there. The censure of the newsreel is all the more surprising because when the situation in Manipur subsequently eased, the F.D. released another newsreel (No 1650) reporting the "return to normalcy" in the area.

Plea Overruled

In fact, documentaries and newsreels with political overtones have always run into rough weather.

The most glaring one was the ordering of the deletion by the Janata government of all shots of Mrs Indira Gandhi from documentaries and newsreels, including a snippet featuring her in a newsreel rounding up the events of 1978.

After this news became public, a hue and cry was raised and the F.D. was asked to restore the shots, leading to considerable expenditure.

Similarly, there were reports recently that some officials in the Union information and broadcasting ministry had suggested the idea of deleting a shot showing the former prime minister, Mr Charan Singh, at a symposium. The suggestion was overruled.

CSO: 4220

THREE PERCENT DECLINE IN ECONOMIC GROWTH RATE

Kuala Lumpur BUSINESS TIMES in English 16 Jun 80 p 1

[Text]

NEW DELHI, June 15

THE overall growth rate of the Indian economy during 1979-80 (April to March) declined by an estimated three per cent as against the increase of 6.3 per cent in the previous year, according to a pre-budget economic survey submitted before Parliament on Friday.

The fall in the growth rate was caused by a decline of 10 per cent in agricultural production and 0.8 per cent in industrial output.

The factors contributing to the deteriorating economic situation were drought, power shortage, emergence of inflationary pressures both domestic and foreign, high deficit financing and political instability, the survey noted.

As for the coming year, the survey forecast a decline in the rates of investment and saving in the economy and the widening of the current account deficit in the balance of payments.

The survey advocated a package of short-term and medium-term measures to rescue the economy, emphasising the "extreme urgency" for promoting exports.

It pointed out that the country was facing a severe strain in its balance of payments mainly due to the large increase in the oil price. The growth of remittances from immigrant workers along with other invisible receipts of foreign exchange was also slackening, it added.

To beef up the economy in the coming year, the survey called for keeping down of deficit financing within "tolerable limits," revitalisation infrastructure (power, coal, and transport) and a reduction in the rate of petroleum consumption.

The survey estimated the net inflow of foreign aid during 1979-80 at Rs. 8,340 million (about \$1,878.5 million) as against Rs. 8,840 million (about \$1,923.4 million) in the previous year.

India has been rendering economic assistance to various countries under the Colombo and the Commonwealth African assistance plans in addition to the loans being given to some other countries, it was reported yesterday.

The latest figures available from the Comptroller and Auditor General of India indicate that 100.84 million rupees (about \$20.84 million) have been given as aid for 1978-79.

With the latest aids, the total amount given so far has increased to 1,810 million rupees (about \$360 million).

Out of this, 178.87 million rupees (about \$35.77 million) have been given to Nepal for development work in various fields like minor irrigation works, constructing highways, power projects, village development programme and for training of technical personnel. — AFP

ECONOMIST SUGGESTS CHANGE IN PLANNING STRATEGY

New Delhi PATRIOT in English 16 Jun 80 p 8

[Text]

A change in the approach and strategy of planning to accelerate the process of development under a regime of stable prices has been advocated by Dr Raj Chelliah, Director, National Institute of Public Finance and Policy, reports PTL.

Firstly, he says in a paper, there should be policies to stimulate private savings and divert a larger share to the public sector for financing public investment instead of the well-worn, and mostly unsuccessful, policy of trying to finance larger public investment through higher taxation."

Secondly, "employment guarantee" should become the ghost anchor of the policy for spreading the fruits of development and for equalisation. Thirdly, the regional dimension of planning should be given adequate recognition and importance. A sub-division of the Planning Commission should be continuously engaged in promoting the development process in the poorer States such as Uttar Pradesh, Bihar and Orissa as well as in the north-eastern States.

An integrated plan of development for these two regions would have to be drawn up, Dr Chelliah says. "It is obvious that unless Uttar Pradesh and Bihar grow least at 2.5 per cent per annum, India will not grow at as high as 4 per cent."

Fourthly, while the relative importance of the public sector should be maintained, the growth of the private corporate sector should be promoted subject, of course, to MRTP restrictions.

Dr Chelliah points out that the corporate manufacturing sector as a whole is 'ailing' and its relative contribution to national savings has been falling while its capital formation has been stagnating in real terms. Apart from policies to promote savings and investments of the private corporate manufacturing sector, it is also necessary to overhaul the system of investment or industrial licensing. A full-fledged theoretical study of the role of investment licensing leading to changes needed in the older policies and procedures is urgently called for.

CSO: 4220

ECONOMIC SURVEY SUGGESTS NEW ENERGY POLICY

New Delhi PATRIOT in English 16 Jun 80 p 10

[Text]

WITH the continuing rise in the prices of oil and oil products casting a long shadow on the economy, the Economic Survey has suggested a search for a comprehensive national energy policy without further delay, reports IPI.

Noting that the effect of the burden of oil imports on the economy has to be eased in several ways, the survey says, export promotion will have to be undertaken "with all the emphasis at our command".

Secondly, the consumption of oil products will have to be kept in check.

The task, however, is not easy because oil is a vital input into production and distribution and, therefore, the demand is bound to increase as the economy expands.

Nevertheless in the medium term, it is possible to reduce the growth of consumption of petroleum products to some extent like in road transport—the largest consumer of oil products in the country.

The survey, presented to Parliament last week, says an improvement in the performance and capacity of railways can go a

long way towards reducing the growth of oil consumption in road transport.

RURAL ELECTRIFICATION

Similarly an improvement and increase in rural electrification may also succeed in containing the growth of consumption of diesel oil in agriculture. The increase in investment needed for such changes must be allowed for medium-term plans, it says.

While emphasising that "we must develop an energy policy based on alternative sources of energy", the survey says that the search for such a new policy had begun in the wake of the oil crisis in 1973, but was not pressed vigorously.

This was partly because the balance of payments was strengthened by export growth the elimination of food imports and the growth remittances by workers abroad and partly also because oil prices rose fairly moderately thereafter and indeed declined in real terms up to the end of 1978.

"Search for a comprehensive energy policy cannot be postponed any further," it says.

CSO: 4220

TEA INDUSTRY JOLTED BY HALT IN USSR PURCHASES

Calcutta THE STATESMAN in English 17 Jun 80 p 9

[Text]

THE Calcutta tea auction got a severe jolt on Monday when the Soviet Union suddenly stopped purchase at the centre. Since it is the most important buyer at the Calcutta centre, more than 80% of the 260,560 kg tea offered at the day's auction had to be withdrawn.

It is learnt that the five local purchasing agents of the Soviet Union have opted out of the auction because of labour trouble at their warehouses. A spokesman of one of the agents said that a section of workers of the Calcutta Tea Workers' Board was not allowing tea bought at the auctions to be taken out of the warehouses for shipment to the Soviet Union. The demonstration had been continuing since May 12. As a result, more than 4 million kg of tea, worth about Rs 8 crores, meant for export to the Soviet Union had become blocked at the warehouses.

Calcutta tea auction sources feared that if the tea purchasing agents of the Soviet Union continued to abstain from the auction till the clearance of the backlog, it would have a serious repercus-

sion not only on the Calcutta tea auction, but also on the tea industry, particularly on Darjeeling tea, since the Soviet Union purchased more than 80% of the Darjeeling tea offered at the Calcutta auction. That country purchased on an average about 60% of the orthodox tea offered at the centre.

The sources are worried because this is the peak season and the second flush crop, which normally fetches the highest price, is expected to arrive in a week. In the absence of a major buyer, like the Soviet Union, the auction may not be competitive keeping the prices low. There are few buyers who can replace the Soviet Union at the Calcutta auction at the moment.

Meanwhile reports from Gauhati indicate that with the improvement in the law and order situation there, both the arrival and sale at the Gauhati auction has improved since last week. The Soviet Union participated in Wednesday's auction and the average price was 20 to 30 paise a kg higher than that of the previous sale. About 43,000 chests were offered for sale and most of them were sold.

CSD: 4220

NEW RAILWAY BUDGET INCLUDES RISE IN FARES, RATES

Text of Railway Minister's Speech

Calcutta THE STATESMAN in English 17 Jun '80 p 9

[Text] New Delhi, June 16.--The following, according to PTI, is the text of the speech of Mr Kamalapati Tripathi introducing the railway budget, 1980-81, today:--

Mr Speaker,

Sir, I rise to present the railway budgets for the year 1980-81. The House will recall that for the reasons then explained only interim estimates were presented on 11th March 1980. Since then, the Government has had time to scrutinize the severity of the damage done to the economy inherited from the previous Government and has made an assessment of the factors that have brought about economic stagnation. A review has now been made of the Plan priorities with a view to putting the nation's economy back on the rails and it has been decided to enhance the outlays during 1980-81.

In my speech on 11th March 1980, I had made a mention of the progressive decline in lifting the freight traffic after 1976-77. I had also detailed the steps proposed to be taken for improving freight operations. The House is aware that the last few months have been a difficult period for the country, with extensive power cuts on the one hand and severe drought condition in a number of States on the other hand. The railways' freight operations during these months had to be geared so as to meet the extra demands out of the pressing needs of coal for the power houses and foodgrain for the drought-affected States. Equally pressing were the requirements of food products, sugar, edible oils, etc. to meet the shortages in various parts of the country. Highest priority therefore, had to be given by the railways to the speedy transportation of these essential commodities.

Due to the setback in railway working in the last three years, the restoration of efficiency to 1976-77 level may take some more time. But I have no hesitation in saying that we have made a dent on the problem. The picture is not as gloomy as it was a few months ago.

During these months, greater emphasis was placed on the movement of coal to power houses so as to alleviate the distress caused by power cuts, and I am glad to say that the number of wagons loaded with coal for power houses was increased by about 500 wagons per day as compared to the previous year. This high level of movement of coal to power houses enabled the building up of stock in most of the power houses. Even those power houses that have not been able to build up stocks are now getting enough coal. The high level of loading of coal to power houses has been kept up in spite of the rigours of summer, which made operating conditions difficult.

The drought conditions have brought in their wake large-scale famine conditions in the northern and eastern sectors. The sources of supply to meet the deficit are the surplus States of Punjab and Har-yana. By a close coordination with the agencies concerned from January to May this year, about 60% more foodgrain than last year were rushed to the drought-affected States in the east via West Bengal, Bihar, Orissa, and Assam and to Madhya Pradesh. In April this year the railways transported as much as 812,000 tonnes of foodgrain. The average daily loading of sugar increased from 53.5 wagons during December 1970 to 228 in April 1971. The movement of edible oils also went up from 677 wagons on an average daily during January 1960 to over 1,000 in April this year. The House is aware of the abnormal conditions in the State of Assam, but I am glad to say that, in spite of a number of setbacks and difficulties, the movement of foodgrain to this difficult region was also kept up at the required level.

FRESH BURDEN

The closure of refineries in the north-eastern sector placed a fresh burden on the railways. In that the areas fed by these refineries had to be served from other sources over much longer distances. The fleet of tank wagons which had to be used for carrying petroleum products is rather limited and, therefore, intensive monitoring arrangements had to be made to optimise the utilization of this fleet. It is gratifying to mention that, by and large, the requirements of diesel oil, kerosene and petrol were met satisfactorily by carrying these essential commodities over longer distances from new sources.

The summer conditions this year have been unusually severe and the railways had to rush to the assistance of some of the areas in distress, by carrying drinking water in railways tanks. The railways took on themselves the work of transporting the drinking water free of cost to bring relief to such areas.

The House will also appreciate that in these difficult months the railways have made notable contribution towards the holding of the price line by rushing essential commodities to the needy States to meet their urgent requirements. For this purpose, close coordination was maintained with the State Governments and the concerned Central Ministries. The promptness with which the despatches were arranged has been acknowledged by the recipient States.

A bane of the railways' operations has been the problem relating to law and order, specially in the eastern sector, which caters to about 40% the total traffic carried by the Indian Railways. The deployment of the Territorial Army and CRPF for short spells helped contain the situation to some extent. Now that popular elected Governments are at the helm of administration in practically all States, we expect that there would be an improvement in the situation and that there will be a better sense of discipline, thus creating a proper working environment, enabling the railways to deliver the nation's goods.

I would like to take the House into confidence in regard to the arrears of maintenance of locomotives, wagons and coaches that have developed as a result of lack of adequate provisions in the plans and extensive power cuts in various States. Here again due care was not taken and adequate attention not provided in previous three years. Shortage of power has led to reduction in the output of railway workshops, carriage and wagon depots, locomotive sheds and marshalling yards. The number of rolling stock thus held up for repairs has consequently been on the increase. We are looking forward to an improvement in the availability of power with the onset of the monsoon and the resultant stepping up of hydel generation, so that the deterioration in the condition of rolling stock can be arrested and all possible action initiated to restore it to normal health. More funds will also be provided for maintenance and repairs.

Passenger traffic: On the passenger front also, during the last four months, a large number of cancelled trains have been restored. As many as 26 new non-suburban trains have been introduced and the run of another 10 has been extended. The bi-weekly Neralchal Express between New Delhi and Puri, a pair of express trains between Mysore and Bangalore, Madurai and Trichy, a tri-weekly between Secunderabad and Madurai, Chandigarh and Ranchi via New Delhi and Jaipur and Jodhpur are some of the new trains introduced. We provided about 12 lakh additional berths and seats to clear this year's summer rush.

The passenger traffic on the In-

dian Railways has been increasing at a rapid pace and it has been my endeavour to provide additional travelling facilities to meet the increasing needs. Some of the proposals now under consideration are a bi-weekly express train between Bombay and Varanasi, double heading of K. K. Express, increasing number of coaches on Deccan Queen and Mahalaxmi Express etc. so as to accommodate large number of passengers in these fast and popular trains.

From January to May, special arrangements were made to clear the rush of passengers on account of various congregations and melas, e.g. Darul-Uloom centenary at Deoband, Mahamagam fair at Kumbakonam, Ardh Kumbh fair at Hardwar, Sindhast fair at Ujjain and Urs at Ajmer. Elaborate arrangements were made by the railways by running special trains, augmentation of the load of regular trains and opening of additional booking windows, etc.

PUNCTUALITY

I have been taking personal interest in the improvement of the punctuality of passenger trains. I would like to inform the House that despite adverse circumstances like intense summer conditions, severe drought and an unusually high incidence of pulling of alarm chain, the punctuality has shown some improvement.

Reservations: In presenting the budget in March 1980, I had informed the House that in order to render more satisfactory service to the travelling public in the matter of reservations, additional reservation counters had been set up, separate refund counters had been opened and reservation of seats by day-time trains was being arranged without the passengers having to fill up detailed requisition forms. Firm reservations are also being made over and above the normal quota of berths against vacancies arising due to normal cancellations. A system of surprise and incognito checks by officers has been introduced at important reservation offices. Spot checks are also being conducted to guard against the incidence of transfer of reservations.

During 1980-81 an amount of Rs 1 crore is being specially earmarked to be spent in the reservation offices to provide facilities like seating, drinking water and toilet and opening of complaint counters so that railways are able to give better services and amenities to the valued customers.

Safety: The Government had appointed a high-power railway accidents inquiry committee under the chairmanship of Mr Justice S. M. Sikri. The report submitted by the committee on 31st May 1980 is under scrutiny and I am sure that the implementation of its important recommendations will en-

able the railways to make a substantial headway in the continuing quest for greater safety in operations.

Now before I deal with the budget estimates for 1980-81 and the proposals connected therewith, I would like to mention for the information of the House, some other important matters also relating to railways' finances and functioning.

Railway convention committee: I had informed the House in March 1980 that the previous railway convention committee had become functus officio with the dissolution of the Lok Sabha in August 1979. I shall be moving during the current session a resolution for its reconstitution.

Claims tribunal: The Estimates Committee (1977-78) while dealing with the loss and damage claims on Indian Railways had recommended the setting up of a claims tribunal. No decision was taken so far on this important recommendation. I have now decided to accept this recommendation as this will go a long way in ensuring speedy finalization of claims and consequent relief to the aggrieved parties. The modalities of implementation of this decision, with particular reference to the commercial, legal, administrative and financial aspects are currently under study by a high-level committee.

Performance budgeting: The Estimates Committee in their 21st report stressed that the detailed performance budgeting system should be introduced at the earliest. I have directed the Railway Board that a beginning in this direction should be made from this year.

Over the years, the workload on some of the divisions has increased considerably. To ensure better operations and a more effective liaison with trade and the State Governments, reorganization of some of the divisions has now become necessary. Accordingly, provision is being made in this year's budget for setting up of new divisional offices at Bangalore and Bhopal and for splitting up of the existing Delhi division.

Research and development: In keeping with my Government's policy of modernization and expansion of railways, high priority will be given to the research and development activities in the railways.

research, designs and standards organization at Lucknow. Some of the specific problems that have been entrusted to this organization relate to the introduction of more comfortable coaches for long distance passengers, the improvement in the degree of safety in railways operations, the increase in the speed of locomotives and running of heavier freight trains.

RITES: Since March 1980, Rail India Technical and Economic Services, one of the public sector undertakings under my Ministry, has entered into an agreement with the Iraqi Government for providing design and general engineering support services to the Iraq Republic Railways. An agreement with the Government of Jordan for providing technical and management support services for performance of Aqaba Railway Corporation system has also been entered into.

Staff Welfare: My objective will be to shape the railway administration into a model employer. I would like to mention here some of the important schemes concerning staff welfare.

Medical assistance: One hundred and one railway hospitals and 560 health units, scattered all over the country, are already providing a high standard of medical services which has been appreciated by all. New expansion plans include provision of 55 additional beds, progressive modernization of the service departments in the existing hospitals and of additional ambulance vans. Nearly a decade ago, a policy decision was taken to provide on an all-India basis, super-speciality services in selected railway hospitals and the last such speciality started was in plastic surgery in Central Railway Hospital at Byculla in 1973. As an extension of this policy, a proposal for expansion of North-Eastern Railway Hospital at Varanasi to provide a super-speciality for treatment of cancer at a cost of Rs 59 lakhs, has been included in this year's works programme.

ARJUNA AWARD

Sports: In keeping with the past traditions, 42 men and 27 women from the railway family represented the country in various internal events and won six gold, four silver and two bronze medals. Two railwaymen were also awarded "Arjuna award" during 1979-80.

Final settlement of superannuated employees: At present railway

administrations are able to make with sustained efforts, payment of final settlement dues of superannuating employees within three days of retirement in about 90% of the cases and in 10 days time for the balance. Zonal railways are now being directed to take special steps for a further improvement in the position and, wherever feasible, to arrange payment of these dues on the date of retirement itself.

Cadre restructuring: Implementation of this Government's decision of restructuring of Group 'A' cadres and consequential promotions of officers of Group 'B' and Group 'C' mentioned by me in March 1980, has now been completed and similar action in respect of medical department is under processing. Orders have also been issued for an increase in the number of posts in the section officers and senior clerks grades in the accounts offices and of the inspectorial categories in the Civil Engineering Department.

Restructuring of cadres in various departments is being done as a continuous process.

I now deal with the Plan outlay for 1980-81 and the progress of important schemes of new lines, conversions and surveys.

PLAN OUTLAY

With the Government's recent decision to formulate a fresh plan for the period 1980-83 and on the basis of the reviews, since undertaken in consultation with the Planning Commission and the Ministry of Finance, the railways Plan outlay for 1980-81 is being enhanced from Rs 650 crores provided in 1979-80 to Rs 760 crores. This enhancement of Rs 110 crores in the Plan outlay will mainly be utilized on employment-oriented projects and on expediting the completion of the sanctioned and on-going schemes. The provision under the plan-heads rolling stocks and line capacity works (including gauge conversions and doublings) is being stepped up from Rs 369.66 crores and Rs 90.65 crores to Rs 340.00 crores and Rs 111.00 crores respectively. The 1980-81 outlay for the wheel and axle plant under construction at Yelahanka near Bangalore is also being increased by Rs 8.00 crores.

New lines, conversions and surveys:

New lines: As a follow-up of the indications given in March last and to expedite the completion of the on-going works sufficient funds are being provided for Tirunelveli-Nagercoil and Shamli-Saharanpur new lines so that these will be opened to traffic during the current year. Rohtak-Bhiwani section has already been opened on 3rd June 1980. Progress on the other new rail links in hand is also being speeded up. It is expected that Vasai Road-Diva, Apta-Pen, Karaila Road-Jayant up to Kakri, Bibi-nagar-Nadikude up to Nalgonda, Bhadrachalam Road-Manuguru, Howrah to Amta up to Bargachia and Jakhapura-Daitari would also be completed during the current financial year. Similarly work on the six new links in the north-eastern region viz. Gauhati-Burnihat, Dharamanagar-Kumarghat, Bali-para-Bhalukpong, Silchar-Jiriham, Amguri-Tuli and Lalaghat-Bhairabi will be speeded up for which more funds are being provided. Similarly, work on Wani-Chanaka up to Pimpalkoti, Alleppey-Ernakulam, Manikgarh-Chandur and Talgoria-Tupkadih new rail link projects is also being stepped up for early completion.

Funds are being provided to start work on the sanctioned projects of Rampur-New Haldwani, Sakri-Hasanpur Road, Howrah-Sheakhala and Kapadvanj-Madasa new rail links. Partial doubling of Kiul-Bhagaipur section is also included in this year's budget. As part of the restoration of Chitauni-Baggha rail link, the construction of a new bridge over the Gandak river will be taken up within this year soon after the results of the technical model studies being carried out in the research centres at Roorkee University and Central Water research station at Pune are available. Other new line projects included in this year's budget are for B.G. links from Bonakalu to Jaggayapeta and Kota to Neemuch via Chittorgarh.

Demands for provision of new rail links between Daitari to Banspani, Bhalli Rajhara to Jagdalpur, Karur-Kindigul-Madurai-Tuticorin-Tirunelveli, Chiradurg-Rayadurg and Telapur-Patancheru have been taken up for consideration.

As regards the gauge conversion projects I am happy to mention that as the first phase of the Viramgam Okha-Prbandar conversion scheme in Gujarat State, the portion from Viramgam to Itapa is scheduled for commissioning during this month. Samastipur-Bas-banki and New Bongaigaon-Gauhati conversions will be completed during 1981 and Barauni-Katihar a year later. Work on the Manmad-Aurangabad, Guntakal-Bangalore, Nadiad-Kapadvanj and Bangalore-Mysore projects is also being stepped up. Varanasi-Bhatni, Moradabad-Ramnagar and Kashipur-Lalkua-New Haldwani conversion projects which were sanctioned some years back will now be taken up for construction during the year. Conversion of the existing M.G. lines between Varanasi and Allahabad and Aunrihar to Chapra via Ballia is also under consideration.

In addition to the new surveys proposed in the interim budget, further surveys which have been included in this year's budget are:

Surveys: (I) Guna-Shivpuri-Gwalior-Etawah; (II) Beas-Goandwal Sahib; (III) Yelahanka-Bangalore; (IV) Miraj-Bangalore, along with the connected branch line; (V) Parasia-Chhindwara, along with the Khirsadoh-Borkuni branch line; (VI) Gandhidham-Bhuj-Lehapat; (VII) Guntakal-Guntur; (VIII) Patancheru-Peddapalli via Sangreddy and Medak; (IX) Mirzapur-Bhadohi-Babatpur; (X) Arrah-Sasaram; (XI) Nizamabad-Ramagundam; (XII) Kalka-Parwanoo.

The completion of the survey for uprating of the costs for the B.G. link from Nangal to Talwara and for new rail links between Ranchi to Giridih via Hazaribagh town and Gondia to Jabalpur via Balaghat and Budge-Budge to Namkhana

are being expedited and due consideration would be given to them.

During the last session, speeding up the progress of work on the Metro Railway project work in Calcutta was pressed. Appreciating the inconvenience that is being caused to the citizens of Calcutta, the year's outlay for the project is being raised from Rs 19.00 crores in the previous year to Rs 23.00 crores. Tunnelling operations will also thus get advanced and are now expected to be started by August 1980. Similarly, between Dum Dum and Belgachia in the northern sector, preparations are being made for carrying out trials of rolling stock and signalling equipment in the middle of the year.

In Bombay, a flyover at Bandra is under construction for providing a connexion between the Central Railway and Western railway corridors to provide relief to the com-

muters on Audhert Bandra Section. This work is expected to get completed in the middle of next year. A scheme for providing electrified rail commuter services in the Delhi urban area is also being developed.

Electrification: At present electrification works, totalling 1010 route kilometres, are in progress on Waltair-Kirindul, Trivellore-Arkonam, Delhi-Mathura, Vadodara-Ratlam and Godhara-Anand sections. Electrification of Kathua-Jhansi and Mathura-Gurgaon city sections is also being taken up during the current year. In the context of the need to conserve energy resources and the rising costs of oil, steps have been initiated to accelerate the pace of electrification.

Earnings: The interim budget estimates for the current year had been based on a target of 214.5 million tonnes of originating revenue earning traffic. Contrary to anticipations, there has since then been an increase in the quantum of irrational movements which the Railways are undertaking due to drought conditions in various parts of the country and the continuance of the agitation in the North-east area resulting in the locking up of a sizeable number of wagons there. Hoping that, with the onset of the monsoons and the increase in the availability of hydel power, there will be a revival in the nation's economy the interim budget target of 214.5 million tonnes of originating revenue earning traffic is being retained. Consequently on the basis of the fare and freight structure as at present applicable, the estimates of gross traffic receipts also remain at the same level i.e. Rs 2,545.35 crores.

Working expenses: The interim budget provision of Rs 1,990.47 crores (net) under working expenses, however, now needs to be enhanced by Rs 122.00 crores to cater for the recent increase in the rates of dearness allowance to the staff, increased fuel Bill and the general increase in the cost of stores due to run-away inflation during 1979. Appropriations to depreciation reserve and pension funds are, however, being retained at the same level as projects in the interim budget i.e. Rs 220,000 crores and Rs 84.00 crores respectively.

With a slight adjustment in the dividend reliefs and other concessions as subsidies from general revenues, the total expenditure including appropriations funds, is estimated at Rs 2,384.64 crores. The net revenue will thus be only Rs 160.71 crores which will not be sufficient to discharge the dividend liability of Rs 322.24 crores. The overall budgetary gap of Rs 36.04 crores from the development fund.

Deferred dividend liability: At the close of the 1979-80 financial year the deferred dividend liability of the railways is estimated to be Rs 162.31 crores. However, pending a review of the "overall position by the railway convention committee, to be constituted during this session, status quo is being maintained.

Proposals:

Additional resource mobilization—need for: The interim budget for the year projected a net deficit of Rs 38.12 crores. As mentioned a little while ago, an additional provision of Rs 122.00 crores under working expenses has also now to be catered for. Besides, an expenditure of Rs 36.04 crores from development fund and Rs 1.41 crores (net) for meeting increased dividend liability has also to be provided for. As such, generation of additional resources to the minimum extent of Rs 197.57 crores has become unavoidable and any deliberate effort to put it off will only have an adverse effect on railways' finances and long term plans for modernization and expansion for meeting the growing transportation demands of passenger and freight traffic.

PROVE PANEL

The report of the rail tariff enquiry committee has been received only recently. A summary of this report is being circulated alongwith the budget papers and copies of the report are being placed in the library. Honourable member will observe that this committee's recommendations are based on an integrated approach and have a very significant impact on the existing fares and freight structure of the railways. The examination of the various recommendations made by this committee has been entrusted to a special cell in the Railway Board's office and decisions on the recommendations would be taken expeditiously.

However, in the meantime, need for some interim measures for additional resource mobilization cover the budgetary gap, explained earlier, is inescapable. I will now explain my proposals in this respect.

Passenger traffic: passenger fares were last revised in 1974-75, except for a modest revision in the rates of monthly suburban season tickets from 1-4-1979. The fact that since 1974/75 the cost of various inputs has gone up steeply needs no emphasis. Further, during these years the amenities and comforts provided in the trains and at railway stations, have improved considerably resulting in increase in working expenses. An upward revision in the passenger fare rates is, therefore, long overdue. I, therefore, propose to increase the existing fare for the various classes as under:—

- (1) 20% on 1st class AC, first class and AC 2-tier sleeper,
- (2) 12.5% on AC chair car and 2nd class for mail and express trains,
- (3) 10% on 2nd class ordinary,
- (4) 5% on passenger traffic up to 50 kms, and
- (5) On quarterly and monthly season tickets. These proposals have been evolved on the consideration that the burden of the proposed increased on weaker sections of the society should be minimal.

Freight Traffic: I also propose to levy a flat 15% surcharge on all freight traffic. However, the following commodities which have a direct impact on the daily life of the common man are being exempted from this additional surcharge:--

- (1) Salt for domestic use, (2) sugar, (3) foodgrains, (4) pulses,
- (5) kerosene oil, (6) edible and hydrogenated oil, (7) chemical manures (fertilizers), (8) fire wood and (9) charcoal.

A memorandum explaining these proposals in details, is being circulated along with the budget papers.

The upward revision of the fare and freight structure, as detailed above, is expected to yield an additional Rs 73.51 crores from passenger traffic and Rs 128.00 crores from freight traffic i.e. a total of Rs 201.51 crores. The interim budget projection of a deficit of Rs 38.12 crores will thus be converted into a surplus of Rs 42.71 crores out of which Rs 38.04 crores will be appropriated to meet the expenditure chargeable to development fund and payment of interest liability of Rs 11.04 crores on the outstanding loans of Rs 189.30 crores taken in the previous years. The balance of Rs 3.37 crores will be utilized towards a partial liquidation of the deferred dividend liability. The necessity of taking further loans from the general revenues will thus be obviated.

I now come towards the close of my speech. As the House is

aware, due to various factors the operation on the railways has been under considerable stress and strain in the recent past. Despite this, the railwaymen, at all levels, have performed their duties diligently. Industrial relations have generally been satisfactory. Unfortunately there have been instances of agitations, on trivial issues, by unrecognized groups of staff.

It must not be forgotten that the tasks before the railwaymen are difficult and these can be successfully achieved only if all railwaymen give of their best, always bearing in mind the interests of the country above everything else. I have full confidence that in their devotion to duty and spirit of sacrifice, the railwaymen will be second to none, in that, as in the past, they will render an excellent account of themselves. Before concluding, I wish to record my appreciation of the assistance and co-operation I have received, during the last five months, from all railwaymen and the honourable members of Parliament.

11-11

NEW DELHI, June 16.—The Rail Tariff Inquiry Committee has concluded that the finances of the Indian Railways have been in poor shape, especially since 1966, barring a few years. While various factors have played a part in this, a major constraint has been that tariffs for various services have not kept pace with the increase in the cost of inputs.

The railways have, as a result, not been able to make adequate provisions for repairs and maintenance, depreciation and more important, development in keeping with their rôle in the functioning of the national economy. They have not even always earned enough to pay the dividends on the capital-at-charge.

Although normal physical indicators suggest improvement in the operational performance of the railways and in the utilization of assets, the financial situation of the railways has remained largely unsatisfactory.

The committee observes that while the railways have been expected to earn a surplus, no clear objective as to the quantum of surplus to be earned in a year has been defined. The committee has suggested a rate of return of 10% on the capital-at-charge, inclusive of dividend payment. It has re-

commended that the tariff structure be so designed as to fulfil the requirements of the railways' developmental activities through mobilization of internal resources and for meeting their operational costs.

The committee has assumed that the railways may be expected to mobilize 40% of the development outlay and the remaining should be met from the general exchequer. For this purpose, the committee has taken 1976-77 as the year of normal efficiency.

After appropriate adjustments for cost escalations and additional earnings which are required, it has formulated a tariff structure, whereby the railways should be in a position to earn an additional revenue of Rs 770 crores in a year, which would include Rs 800 crores for development and Rs 270 crores for contribution to the depreciation reserve fund, pension fund and additional repairs and maintenance costs.

The committee has observed that transport pricing should be cost-based and subsidizing of passenger services by goods services, as in the past, is not possible any longer. It has concluded that the passenger business as a whole should be self supporting. While ensuring this, the fare level for different sectors and classes

should be fixed in as equitable a manner as possible, taking into account the costs, the standard of comfort and the ability of the passenger to bear the increases.

According to the committee, ordinary second class fares are heavily subsidized by mail/express fares. It is of the view that each sector of passenger business should bear a reasonable share of the cost, keeping in mind the socio-economic profile of the passengers.

Regarding goods freight, the committee has observed that a uniform supplementary charge on freight rate is not scientific and is not a satisfactory method of generating additional revenue and should be resorted to only rarely, when there is no time to make a detailed examination.

The better method is to revise the level of freight rates so as to spread the burden equitably according to the ability of the different commodities and streams of traffic over various distances to bear the increases while keeping in mind the costs entailed in transportation.

The committee has suggested a relativity of fares for the different classes, keeping the second

class ordinary fare scale as the base. As per this relativity, second class mail/express fares should be 140% of second ordinary fares. Similarly, the AC chair car should be 300%, first ordinary 400%, first class mail/express 500% and airconditioned class 1,100% of second class ordinary fares.

The scale of fares should be so constructed as to provide a tapering in the fares as the distances increase. The telescopic rates are built on five distance-legs and range from 100% to 50%.

The per-kilometer rates in the above five distance-legs reduce with each increasing slab and range from five paise a kilometre to 2.50 paise a kilometre. Instead of the existing minimum fares for different classes, which have no rational basis, fixing a minimum fare principle by charging the fare for 5 km for ordinary trains and 35 km for mail/express trains has been recommended.

A terminal or fixed charge should be added to the fare. This would be 25 paise on second class ordinary tickets and for other classes it would increase according to the index fixed in the first recommendation.

The sleeper charge for the second class is proposed to be changed from the existing Rs 5, irrespective of number of nights, to Rs 8 for the first night plus Rs 5 for each subsequent night.

The reservation fee has been proposed to be raised by varying amount and a superfast supplementary surcharge has been suggested.

The fares for the Rajdhani Express should be escalated by 20% in the case of ACC and $33\frac{1}{3}\%$ in the case of ACC chair car. The escalation is on the proposed fares for the respective classes.

AC two-tier sleepers should be normally equated with first class mail/express fares. During April to September an extra charge of Rs 15 up to 1,000 km and Rs 25 for journeys beyond should be added to the fare.

Prices of platform tickets are proposed to be increased from 30 paise to 50 paise.

The season tickets fare structure as recommended by the committee in its interim report should be implemented in the first stage. The increase in the monthly season ticket fares from 1 km to 150 km would range from Rs 4.30 to Rs 13.70. In the second stage the monthly season ticket fares are proposed to be revised as multiples of single journey fares, ranging from 24 to 10 journeys, depending on the distance. By the end of the 1980s the season fares should be fixed at 25 single journey fares for all distances.

The age for free travel by children is recommended to be reduced from the existing 5 years to 3 years.

Parcel rates have been divided into six scales, against the existing 12. In the new scales, except for the luggage and general parcel scales, the others are concessional scales bearing a given relativity to the general parcel scale, which is taken as a base rate.

The general parcel rate forms the base scale with graded per quintal charges at different distance legs, tapering with increasing distances. The luggage rate is 10% higher than the GP scale, while the others are fixed at 80%, 50% and 40% of the GP scale, and a separate special rate for newspapers and magazines.

CSO: 4220

BRIEFS

JAMMU, KASHMIR CABINET CHANGE--Srinagar, June 16--Mr Talib Hussain of the ruling National Conference was today sworn in as Minister in the place of Mian Bashir, Jammu and Kashmir Minister of State for Animal Husbandry whose resignation was accepted by the Governor Mr K Jha here today. Mian had voiced his resentment against the "step motherly" treatment meted out to Gujjars in the State by Sheikh Abdullah's Government. Mr Talib joined the National Conference after being elected to the State Legislative Assembly on Congress (I) ticket in the last general elections. [Text] [Madras THE HINDU in English 17 Jun 80 p 9]

ENVOY TO ZAMBIA--New Delhi, June 16--Mr Ravindra Tandon, Joint Secretary in the Ministry of External Affairs, has been appointed India's High Commissioner to Zambia, it was officially announced today, reports PTI. Mr Tandon succeeds Mr Natwar Singh who is India's Ambassador in Pakistan. [Text] [Calcutta THE STATESMAN in English 17 Jun 80 p 1]

CSO: 4220

CRITICISM OF PRESIDENT SUHARTO INCREASING

Kuala Lumpur BUSINESS TIMES in English 17 Jun 80 p 6

[Article by Ingo Hertel in Jakarta]

[Text]

PRESIDENT Suharto, is still firmly in control of Indonesia's 142 million people but is facing stiffening opposition toward his military-backed government.

Criticism of one aspect or another of his government's policies used to be voiced by individuals or small groups of zealous Muslims, retired military officers, hot-headed university students and some intellectuals.

But these critics were isolated from each other and from most of the population and thus easily handled by the security forces.

Now, for the first time since General Suharto took power 18 years ago, a growing number of dissident groups have joined forces in what appears to be a concerted effort to undermine his authority.

Mainly for economic reasons, this coordinated campaign is riding a growing wave of anti-government resentment among the country's working classes.

For the majority of households, the benefits of the 33.6 per cent devaluation of the rupiah in November, 1978, have long been eaten away by inflation.

According to official figures, the inflation rate is 60 per cent. But foreign financial experts here say they believe that official statistics are inaccurate and that inflation is hovering around 55 per cent, while wages have increased much less.

The combination of grassroots resentment and an anti-Suharto campaign among educated classes could develop into the most serious challenge yet for the President.

Yet General Suharto seems determined to run for a third five-year term of office in the next elections — a year-long process due to start early in 1982.

Addressing military audiences in March and April this year, President Suharto described rumours accusing his family of large-scale corruption as malicious efforts to overthrow his government and warned they would not be tolerated by the armed forces.

In one angry outburst, he said rumour-mongers were even accusing him

of having a secret love affair with a film actress, he said he had never even met.

The rumours were fuelled by groups trying to disrupt preparations for the elections, with the aim of toppling his government and destroying constitutional rule, he charged.

Another rumour, he said, was that decisions on major public tenders were not made by the government but by his wife, Mrs Tien Suharto, who was obtaining kick-backs and commissions.

Rumours about the President's wife circulated for years, especially among university students who have nicknamed the First Lady "Mrs 10 per cent" or "Mrs fifty-fifty."

But they have always

been strongly denied by General Suharto.

Dissident reaction to the President's angry rebuttals of the rumours was quick. On May 13, a group of 50 critics of the Suharto government including three former Prime Ministers, nine retired but influential generals, and a number of Muslim leaders, petitioned Parliament demanding that General Suharto should be censured for allegedly misusing his powers and endangering the nation's unity.

The ruling functional groups (Golkar) movement and the armed forces' faction command a three-to-one majority in Parliament over the Muslim and nationalist-Christian opposition parties and the 460-member assembly has not yet acted on the petition.

Indonesia's government-guided newspapers, radio, national news agency and television immediately received orders from the Information Ministry to ignore the "Group of Fifty" petition.

But its authors and scores of sympathisers made sure the document became known through private channels. In at least one instance, hundreds of copies were run off on a copying machine in a government department.

The "Group of Fifty" said the President's speeches appeared to drive a wedge between the military and the people.

It accused the President of trying to persuade the armed forces to support him in political controversies rather than remain impartial.

The group also claimed he was misinterpreting the "Pancasila" state ideology to fit his own purposes, presenting himself as the personification of the code and using his personal interpretation of it to threaten political opponents.

"Pancasila," the five-point preamble to the Indonesian constitution, has never been authoritatively interpreted and President General Suharto has to translate its meaning into practical politics.

The "Group of Fifty" signatories included former Prime Ministers Burhanuddin Harahap, Mohamad Natsir, and Syarifudin Prawiranegara; the former Jakarta governor and marine commander General Ali Sadikin, former Defence Minister General Abdul Haris Nasution, former all-Sumatra military commander General Mokoginta, former Admiral Mohamad Kamal, and former Air Marshal Suyitno Sukirno.

According to political analysts a general feeling of uneasiness is spreading among Indonesians in all walks of life. There is also apparently a hardening of opinion among sectional groups, they say.

Orthodox Muslims, encouraged by develop-

ments in Iran, would like to see a less secular Indonesia, arguing that more than 80 per cent of the people profess their faith.

Christians and Buddhists claim the administration is already biased in favour of Islam.

Ardent "Sukarnolists" nationalists, their morale boosted by a revival of popular feeling about Indonesia's first leader, the late President Sukarno, have made clear they would like to see foreign influence erased from Indonesia's culture and economy.

Indonesian technocrats, trained in the West, on the other hand, feel there is already too much restrictive and often incompetent state interference. Intellectuals deplore what they see as the hypocrisy of a regime that loudly proclaims "Pancasila democracy" but still intimidates and frequently arrests its critics.

Student groups have directed their attacks on President Suharto's anti-corruption campaign. They charge that although more than 5,500 officials have been disciplined for graft, embezzlement or bribery during the past three years, none of the allegedly corrupt "big fish" in the military and civil establishment has yet been put on trial.

Students also are better organised than they were in 1978 when they tried without success to agitate against President Suharto's re-election. —
Reuters

SADIKIN RIDICULES CLAIM OF ASSASSINATION PLOT

Kuala Lumpur NEW STRAITS TIMES in English 17 Jun 80 p 5

[Text]

JAKARTA, Mon. — A former provincial governor today ridiculed official claims of a plot to assassinate President Suharto and 76 members of Indonesia's military-backed government on the nation's Independence Day in August.

Mr Ali Sadikin, governor of the Greater Jakarta region from 1966 to 1977, said such official allegations made the Suharto government "look like a fascist or communist government."

The chiefs of Indonesia's internal security and secret service agencies, Admiral Sudomo and General Yoga Sugama, told newsmen recently that the assassination plot had come to light in a confiscated anonymous pamphlet.

According to people at the briefing, the security chiefs claimed the pamphlet was written on the same typewriter as a petition urging Parliament to censure President Suharto for alleged abuse of his constitutional powers.

Mr Sadikin, one of 50 co-signatories of the petition, today implied that the "murder plot" document could have been produced to discredit the opposition movement.

"Maybe it is just an anonymous letter which they made up themselves," he said. — Reuter

SOLDIERS KILLED IN FRETELIN AMBUSHES NEAR DILI

Kuala Lumpur NEW STRAITS TIMES in English 19 Jun 80 p 2

[Text]

JAKARTA, Wed. — Four Indonesian soldiers were killed in separate ambushes by guerillas of the pro-communist Independence Movement Fretilin in the former Portuguese colony of East Timor, informed sources said last night.

They said several other soldiers had been wounded and one Fretilin guerilla shot dead in the ambushes, the first such incidents in more than two years in the outskirts of the provincial capital of Dili.

The sources said the incidents occurred early last week.

They said one of the ambushes took place near the Dili television relay station but that it was not clear whether the station or a military patrol passing the road nearby had been the target.

The station, located several miles south of

Dili, was apparently not damaged, the sources said.

They said two soldiers and one guerilla were killed near the relay station while two more soldiers died in at least two other Fretilin ambushes, both near the provincial capital.

However, the Defence Ministry has denied the reports saying four Indonesian soldiers have been killed recently in renewed clashes with rebels.

East Timor was integrated to Indonesia in August 1976, after Portugal abolished its colonial rule. Fighting between rebels from the Socialist National Front for the liberation of East Timor (Fretilin) and Indonesian troops took place in hilly areas of Timor until last year. — UPI.

0801 14220

ISSUE OF REGENERATION PROCESS IN GOVERNMENT, ARMY ANALYZED

Jakarta TEMPO in Indonesian 12 Jul 80 pp 8-12

[Article: "Between Doubt and Impatience"]

[Text] The idea was first tossed out by Minister of Information Ali Moertopo. Speaking before a mass meeting of the regional office of the Ministry of Information for North Sumatra in Medan last 18 June, the Minister of Information touched on the question of the leadership of President Soeharto. "If Soeharto withdraws from office now, it is to be feared that the Indonesian nation will fight each other, will begin a civil war," said Ali Moertopo.

He went on to say: "Up to now I have not yet seen another person who is capable of seeing to the union and unity of the Indonesian nation. Therefore, it is better for the leadership of President Soeharto to be accepted and continued until later on we can see that there is a system in Indonesia." What system? "That is, through the process of regeneration which we continuously create, with its own system, with its own mechanism, with its own concept, and with its own structure," said the minister of information.

The view of Minister of Information Ali Moertopo attracted a great deal of attention. Expressed two years before the general elections of 1982, it led some to wonder whether the statement of that view was deliberately made as a "signal" to advance the candidacy of Soeharto once again for the office of President. But what was later on much more commented on by people seems to have been the question of regeneration or the change of generations. The decade of the 1980's indeed has long been described as the decade of regeneration for Indonesia. There are even those who speak of the beginning of this decade as the twilight period for the generation of 1945.

Although they are often asked, in fact there are many questions which have not yet been answered. For example: is it true that we do not yet have a good system of regeneration? Is it true that a "civil war" could occur in Indonesia, if regeneration--especially that involving the national leadership--is not well prepared, day by day? What system is the best for us?

More basic questions are also emerging. Can a society be characterized in terms of a few generations? How can we correctly categorize the generations in Indonesia? What boundaries distinguish the respective generations?

Because it involves the interests of all concerned, it can be understood that many people want the question of generational change to be discussed in an open and frank manner. Indeed, every generational change, as the Chief of Police of the Republic of Indonesia, Police General Awaloedin Djamin, said last week on the 34th anniversary of Bhayangkara Day: "It always brings out hope and at the same time contains our fears."

The chief of Police did not express himself in greater detail, but it appears that there are indeed hopes and fears. The generation of 1945 seems still to feel some doubts about turning over the "reins" to the following generation. However that may be, in this free environment, a change of generation such as will only happen once. And something which has not yet happened will always be looked at with some doubt.

That attitude was more or less reflected in the decision of the conference of the Generation of 1945 in Palembang last June, which abandoned the term "legacy of the spirit and standards of 1945." This means that regeneration is not like turning over an office but is a natural process which happens by itself. Occupying a given position is not a matter of age. "What is needed is capacity and loyalty," said the chairman of the current affairs council of the Generation of 1945 of Greater Jakarta, Achmadi.

For the younger generation this attitude can provoke doubts. And it can be regarded as an effect to defend the status quo. "Legacy contains the meaning of sincerity in turning over the baton of leadership. And in the term continuation there is a suggestion of a portfolio. This means that they will continue to maintain their power," commented another Akhmadi--none other than Heri Akhmadi, 27 years old, former general chairman of the Student Council of the Bandung Institute of Technology.

However, in this matter of terms it seems there is a difference of interpretation. "Regeneration is a natural occurrence. A natural process. The only thing is that preparations are required so that the process will go forward smoothly," said the Commander of Military Region III--17 August, Brigadier General Soelardo, to TEMPO last week. Soelardo emphasized the importance of continuation of the standards of 1945 in the process of regeneration. "It is not a legacy, because if it were a legacy, this would give the impression that there is a requirement to turn over the legacy," he said. However, by continuation he meant continuing good standards.

What is truly meant by what are called the standards of 1945? At the end of last June in Palembang at the national conference of the Generation of 1945 President Soeharto stated that the standards of 1945 were born

during the long struggle of the Indonesian nation over hundreds of years which culminated in the Proclamation of 17 August 1945. The standards, among other things, mean: the view that national independence is the possession and source of honor of the nation in the highest sense, a feeling of pride and self-confidence, a stance of anti-colonialism, a strong attitude of unity, and a feeling of one destiny, one sense of responsibility.

Because they felt it come to life, come to a boil, and be tempered by the revolution of 1945, it may be thought that many among the generation of 1945 regard themselves as most imbued with those standards. So that a certain fear may emerge that the younger generation, which has not been tempered by the challenging atmosphere of the struggle for independence and lives a simple life, will slip away from the standards of 1945. It rather seems that, because of that fear, the terms heritage or continuation of standards have emerged. In other words, it seems that the national leadership is trying to ensure that the younger generation will have the same political perception as the generation of 1945. And that is being attempted, among other ways, through establishment of the P4.

Its purpose? According to Vice Minister Cosmas Batubara, 42 years old, the existence of a similarity of perception towards the political system will ensure that the process of regeneration will not encounter obstacles which are too serious. "If there already is a similarity of perception, whoever it is that sits in Parliament or in the government, his actions will be appropriate. It's just like playing soccer. Because everyone knows that it is not permitted to pick up the ball, if then someone is penalized for holding the ball, this is accepted," said Cosmas, a former leader of the Generation of 1966, to TEMPO last week.

A feeling of doubt may arise among the younger generation when another generation feels that it is its own group which has performed the most service to the country. "Regeneration is an historic development and a part of the national struggle, and these two circumstances cannot be separated from each other," says Lukman Hakim, former General Chairman of the Student Council of the University of Indonesia. According to him, the generation of 1945 was only fully correct at the moment of the declaration of independence. And that struggle would not have succeeded without the assistance of the previous generations, such as the generations of 1908 and 1928. Lukman, 27 years old, emphasizes the following: every member of society has the same role in the history of the struggle. "It is not possible for one generation to claim that its role has been more important and braver. The greatness and nobility of that generation is only appreciated afterwards, not at the time it is engaged in the struggle," he says.

According to the student of pharmacy, the period of time when the generation of 1945 "has been in power" has already been too long. The reason:

the capacity of the generation of 1945 already cannot balance living aspirations. He admitted that there are no age limits to determine if one generation can be defended for remaining in power or not. The capacity of a single person, says Lukman, will decline after reaching a high point. Meanwhile, the aspirations of society develop and rise steadily.

"The meeting point of those two trends is very short. For that purpose a following generation is needed which is capable of seizing the developing aspirations," Lukman said. And the Younger generation, according to him, has broader ability and capacity than the older generation. "They only win in terms of experience," he said.

Such impatience may be characteristic of the younger generation. And it is also possible that this is what disturbs the older generation. Although it could be considered that in that impatience there also appears an attitude of trust in one's own ability--something that is important in facing the future.

However this may be the case, the coming generation will certainly bring with it new thoughts and ideas, even if its standpoint will continue to be the same standards. Consider the view of T A M Simatupang (40 years old), a member of the PDI fraction in Parliament. "New thoughts still must be based on the standards of the Pancasila and the Constitution of 1945," he said. He means that what is new is not the standards but more mature viewpoints in formulating or spreading the standards referred to.

So are there reasons to fear that the younger generation will later forget the spirit and standards of 1945? For doesn't the factor of belief also have a role to play in the process of regeneration? "If we wish to pass through the change of generations in the leadership, without having a revolution, the path is to display a greater amount of trust in the younger generation, beginning now," says the Secretary General of the PDI, Sabam Sirait. This can be done by providing an opportunity to the younger generation to join in the work of making the government function, so that with time the balance of the burden will fall increasingly on the younger generation. "The process should not go slowly, at a snail's pace--foot by foot," says Sabam.

Regeneration on a small scale has indeed occurred in Indonesia. There are two Vice Ministers in the Cabinet, Cosmas Batubara and Abdul Gafur. This development is often pointed to at present as proof. There also are several younger directors general such as the Director General of the Food and Medicine Control Service, Midian Sirait, and the Director General of Domestic Commerce, Kardjono. However, the upper echelons of the government up to now can be said to be still free of leaders of the younger generation.

The presence of vice ministers in the Cabinet does not fully meet the hopes of the younger generation. "The objective is indeed to bring in younger cadres, but regrettably that purpose is not supported by a system which is clearly defined," says the Secretary of the KP faction in Parliament, Sarwono. He means that the vice ministers are indeed given responsibility, but the limits for their action are not clear. On the contrary at times they collide with the functions, task, and responsibility of the minister whom they are assisting.

Sarwono provides an example: The vice minister for Youth Affairs is breaking his back, taking care of youth questions. At the same time the Education and Culture apparatus concerned with youth affairs is carrying on its work and receives directions from the minister of Education and Culture. According to Sarwono, GOLKAR once proposed that the government appoint vice ministers but whose functions were not much different from the deputy ministers of the Soekarno period, that is, they helped the minister and studied how to be a minister as an apprentice. The deputy minister was also given the task of handling ministerial relations with the legislative branch.

In the legislative area what has happened, on the contrary, has been a kind of "aging process" in Parliament. As Daniel Dhakidae wrote in PRISMA in February, 1980, the age structure of members of Parliament elected in the general elections of 1977 is older, compared with the Parliament of 1971. In the Parliament of 1971 members between the ages of 25 and 35 totaled 63. In the Parliament of 1977 the analogous total was only five, a reduction of 92.06 percent.

Indeed, it seems true that we do not yet have a system and mechanism which is satisfactory regarding the regeneration process. And it rather appears that the best way to get it is through openly discussing the matter. As to the matter of when regeneration is to be undertaken, after 1982 or 1987, this is a second question.

Those "Designated from Above" and Those Who Move Slowly

The political parties feel that the training of cadres [kaderisasi] cannot develop normally, with GOLKAR specifically bringing forward its young leaders. But political mass organizations begin to be found more rarely.

Discussing regeneration in Indonesia means studying regeneration in the Indonesian Armed Forces [ABRI]. Indeed, that is something which cannot be avoided, bearing in mind the importance of the position of ABRI at the present time. However that may be, how are things going with regeneration in non-ABRI circles?

"There is no hope for civilian leadership in the decade of the 1980's," said Husnie Thamrin, deputy secretary general of the Executive Council

of the PPP to TEMPO last week. According to Husnie, in a monopolistic political system, regeneration in the civilian group cannot develop normally.

At present, according to the former leader of the Generation of 1966, in the civilian group there is to be found a kind of waiting attitude, which states that, "without ABRI we cannot do anything." According to Husnie, "this attitude is deliberately being created."

The view of Husnie Thamrin can be a matter for debate. However that may be, the member of the PPP faction in Parliament has pointed to the existence of differences of degree in regeneration between ABRI and non-ABRI elements.

And indeed it cannot be denied that the training of cadres in ABRI is developing according to a plan which was prepared in orderly fashion and carried out with near, military precision. "After registering and being accepted as a young cadet in the Indonesian Armed Forces Academy [AKABRI], the development of an officer is seen to. If they are really alert, they certainly will be given the opportunity to become leaders," said the commanding general of AKABRI, Lt Gen Soesilo Soedarman. So that, "The process of regeneration in AKABRI will go forward naturally and in an institutional way," Soesilo continued.

How is it with the civilians? "Since the revolution I no longer see a mechanism for the training of cadres which is sufficiently effective, especially to create leaders from among the civilian group," says Ridwan Saidi, a member of Parliament of the PPP faction. Prior to 1945, according to the former general chairman of the Indonesian Student Association [HMI], we were acquainted with an apprentice system: the senior leaders were always surrounded by young men who wished to learn from them. And the senior leaders themselves, without knowing the time and place of their retirement, continued to train the juniors. This apprentice system brought out leaders like Soekarno, Mohammed Roem, and Adam Malik.

According to the Secretary General of the PDI, Sabam Sirait, there were other factors which created obstacles in the training of cadres in the political parties. "Still widespread among many activists in the group of senior political party leaders is the view that a leader will come forth of his own and that it is not necessary to go through systematic training," he said. Besides that the factional splits which often occurred within the political parties themselves have not been resolved.

In order to resolve the crisis of training party cadres, Sabam says, the political parties must return to the cadre system which was in operation before 1945. "Politicians today must go down to the lower ranks of the party, become teachers, and teach political courses," he says.

The only thing is whether a system like that can be applied at present or not. And if indeed it can be done, whether the results of cadre training are sufficient to apply to the remaining cadres of the political parties.

It is one thing in the political parties and something else in GOLKAR. "In GOLKAR the question of cadre training receives a great deal of attention," says Sukardi, deputy chairman of the Political Section of the KP faction in Parliament. According to Sukardi, from the highest level leadership --that is, the Development Council [Dewan Pembina]-- down to the level of branch leadership, 30 percent of the management consists of young people. Training of cadres is carried out through political courses at various levels. There are also cadres who are trained in institutions operated by the government. "Indeed, there are those who are deliberately sent over seas to obtain a deeper understanding of one area of activity," Sukardi says.

Cadre training in GOLKAR is reflected in their faction in Parliament. "The KP faction gives an opportunity to young people to become chairmen of committees or important offices in the faction. Older members watch them from behind. By showing trust in them in that way, they are directly trained to become leaders," says Vice Minister Cosmas Batubara. He was previously a young leader in the KP faction along with, among others, Sarwono and Rachmat Witular.

It must be admitted that GOLKAR is in the position at present to carry on cadre training on a mass scale like that. Besides its close relations with the government and ABRI, there is an impression that the GOLKAR leadership is trying to carry on a program of systematically bringing its young leaders closer to it, in its internal program of regeneration.

However, there is also criticism. "Training of cadres in GOLKAR does not produce leaders who can display an independent attitude and have a broad view of things. Most of them are only "Tuntas leaders", said a youth leader. What does "Tuntas" mean? "It means that they are designated from higher levels in the organization," he said, laughing. The GOLKAR question resembles a problem which is faced by the PAP (People's Action Party) in Singapore. As the party in power it has more power of attraction for those who wish to be regarded well, who stubbornly crawl up from under.

How does cadre training work through the channel of youth mass organizations? In GOLKAR it appears that there is an effort to develop AMPI as a source of cadres. That was admitted by Akbar Tanjung, general chairman of the Executive Council of KNPI. "The two political parties can form a model organization of the kind which, in an inspirational sense, can be a sub-structure," he said. Thus, for example the GPM (Marhaen Youth Movement) and GAMKI (Movement of the Christian Youth Generation of Indonesia) could become an inspirational form for cadres of the Indonesian Democratic Party [PDI].

As for the KNPI itself? "The KNPI is not intended to provide a career ladder for anyone," Akbar argues. The KNPI, according to Akbar, is a body which brings together elements from different backgrounds who feel

that they face the same challenges, that is, a better future. The idealism of the KNPI consists in how to develop a leadership elite which is capable of looking at a national problem in its totality. "Whether later he becomes a leader of the PPP, PDI, or GOLKAR is not the question, because they all have the same perception," said the former general chairman of the HMI.

It appears that the development of youth still places greater emphasis on the group which has a narrowly political orientation. Present developments indicate that, whatever the reason, for today's youth mass organizations like that seem to be "not relevant." The rapid development of groups like the lovers of nature, mosque youth, and the young authors shows this inclination. "Indeed, it will not be incredible that from these groups will later emerge political leaders," says Ridwan Saidi.

University student organizations which, in the past, were able to develop many civilians cadres, recently have faded increasingly from sight, although what is called leadership training is still being conducted. It seems that they realize it, too. That is reflected in the conclusion of the meeting of the Cipayang Group--which brings together five university student organizations--last June. Each organization, according to the previously stated conclusion, must carry on the process of cadre training by improving the system, content, and method of cadre formation.

The results? That must still wait for a long time to appear, because cadre training is a process which can take a period of years. Further, even if the purpose and plan have been prepared, there are still many external factors which can also be decisive. Whatever the case, each effort must indeed be carried out.

Regeneration of ABRI: Ready to Use

The process of regeneration of ABRI has sprouted. It is estimated that a change of leadership on a large scale will take place in 1983. Later, will there be a difference between the character of the younger generation of ABRI (whose educational background is different) and that of its predecessor? How are things going with regeneration in ABRI? The leadership of ABRI has repeatedly stated that ABRI leadership in the coming decade will be turned over to officers of the younger generation. How in fact is the classification of generations in ABRI?

According to Brigadier General Nugroho Notosusanto, Head of the Historical Center of ABRI, the division of generations in ABRI, which is now more or less official, involves a splitting into two generations. The measure which is used to distinguish them is the experience of participation or not as a soldier in the war for independence from 1945 to 1949. Those who experienced this struggle are called the generation of 1945. Those who did not experience it are called the following generation [generasi penerus].

The generation of 1945 can be divided into three sub-generations, based on their careers or their military training. The first sub-generation includes those who had already had a rather long career, in the civilian or military field, during the period of the Netherlands Indies. During the period of Japanese colonialism they were directed to become leaders in the PETA [Defenders of the Fatherland] Army. The majority of them, at the time of the proclamation of independence were 40 years old or older. Like Oerip Soemohardjo. The Supreme Commander, General Soedirman, was an exception to this rule. At the time of the proclamation he was just 29 years old.

The second sub-generation includes graduates or former cadets of the Koninklijke Militaire Akademie [Royal Military Academy] at Breda or Bandung, or of the Corps Opleiding Reserve Officieren [Reserve Officers Training Corps] at Bandung who had not yet gone through an extended career in the KNIL [Royal Netherlands Indies Army]. Among others, they included A H Nasution, T B Simatupang, M M Rachmat Kartakusuma, and Suriadi Suriadarma. Also included in this sub-generation are former syodanco [platoon commanders] and cudanco [company commanders] of the young PETA Army, including Soeharto (now the President), the late Achmad Yani, the late Gatot Subroto, and Djatikusumo (member of the Supreme Advisory Council [dpa]). It is this sub-generation which became the nucleus of the generation of 1945. Included in this group as well are leaders of the armed forces who graduated from the Naval Officers Training Program at Den Helder or the Higher Naval School during the Japanese period. All of the Chiefs of Staff (or commanders) of the armed forces, including those now serving, are members of this sub-generation. This is also the case with the minister of Defense and security and commander of the Armed Forces, the chief of staff of the Army, and the chief of staff of the Navy.

The third sub-generation includes officers who are graduates of academies for the training of officers which were established by the Republic of Indonesia during the war of independence. Leaders who stand out in this sub-generation were generally graduates of the Military Academy in Yogyakarta, which had three classes (the third class finished its studies at the Royal Military Academy in Breda). Included among them are the Minister of Mining and Energy, Subroto; the Commanding General of AKABRI, Lt Gen Soesilo Soedarman; the Commander of the National Strategic Corps, Lt Gen Himawan Sutanto; the Commander of Defense Area I, Lt Gen Wiyogo Atmodarminto; the Assistant for General Planning and Chief of Staff of the Minister of Defense and Security, Lt Gen Yogi Supardi; and the Assistant for Operations in the Ministry of Defense and Security, Lt Gen Seno Hartono.

Of the third group who now are regional military commanders are the Commander of Military Region XIII/Merdeka, Brig Gen Rudini (51 years old) and the Commander of Military Region III/17 August, Brig Gen Soelarso (51 Years old). A graduate of the Army Officers Training Center (P3AD)--

established in Bandung in 1951--who stands out is the Assistant for Intelligence in the Ministry of Defense and Security and Vice Chief of BAKIN, Lt Gen Benny L Moerdani (48 years old).

Officers of the first, following generation in general were still boys when the War of Independence was going on. They are graduates of the National Military Academy at Magelang and the Army Technical Academy in Bandung before they were joined with the National Military Academy. From this generation the following have become military region commanders: Brig Gen Tri Sutrisno, (40 years old), Commander of the Sriwijaya Military Region; and the Commander of Military Region XIV/Hasanuddin, Brig Gen Soegiarto (44 years old).

Field achievement which is regarded as outstanding has become an important measurement for the leadership ladder of ABRI. For example, this was the experience of Brig Gen Soegiarto. In 1975, when he was Commander of 17 Airborne Infantry Brigade of the Army Strategic Command [KOSTRAD], Lt Col Soegiarto and his troops were dropped in the area of Eastern Timor to take Baucau airfield. In four days he completed the task for which his superiors had allocated one week. For this successful action he was promoted to Colonel.

In ABRI the process of regeneration has been institutionalized. "Because the characteristic of service of ABRI requires mental and physical conditioning which is closely connected with the factor of age," says the Commanding General of AKABRI, Lt Gen Soesilo Soedarman. According to Soesilo, the preparation of ABRI cadres is especially directed at supporting the organization of the ministry of defense and security or ABRI itself.

The preparation of cadres in AKABRI, according to Lt Gen Soesilo Soedarman, is adjusted to the needs and demands of the times. "In order to help them carry out their duties as officers, they are also given non-ABRI instruction which is academic in character," he says. "Clearly, we want officers who are immediately able to be assigned duties or, in the term of the curriculum, are ready for use," Soesilo continues.

As soon as an AKABRI cadet graduates, there is ready before him a career ladder which he must climb as long as he is in the service. Possibly, he will begin his service as a company commander and later rise to be a battalion commander. He can rise further to become the commander of a military district [Kodim] and a regimental commander. Later he will be assigned to staff duties (in a military area command), then an instructor, following which he can be promoted to be a commander. From that point he may become the commander of a defense region [KOWILHAN], then Army chief of staff, deputy commander of the Armed Forces, and, at the top, minister of defense and security and commander of the Armed Forces.

This career ladder, of course, will depend on the conditions of time, age, and ability. During this period the officer will be given the

opportunity to increase his ability through various forms of training, such as the Command and Staff School of the respective services

"Apart from that the member of ABRI also may in some cases be trained to be assigned to functions in the political and social area," says the Chairman of Parliament, Daryatmo. According to the former chief of staff of civil functions of the ministry of defense and security, in the ABRI faction in Parliament in addition to senior officers who have already retired there are also young people. "They are placed there to learn and later are withdrawn before five years have passed, in order later to be replaced with other cadres," says Daryatmo.

According to Daryatmo, in terms of age, regeneration in ABRI will be completed by 1982. For by that year all senior officers who are members of the Generation of 1945 will have been required to retire--because they will have reached the age of 55 or more. If they are considered to be very much needed in the service, their period of service can be extended until they reach 60. "But those in this category will be very few in number. Most likely only the commander of the Armed Forces or the deputy commander of the Armed Forces will be extended in service in this way," says Daryatmo.

However, according to a high-ranking officer of ABRI, large-scale changes in ABRI will only occur in 1983. "It must be remembered that 1982 will be the year of general elections. Important officials who should have retired in 1981 may have their period of service extended, so that stability and preparations for the general elections will not be disturbed. So that it will only be in 1983 that changes can be carried out calmly," he said.

The question is whether ABRI officers from the younger generation will later have an outlook which is different from the previous generation. Because are they not the product of a system of education which is much different from that of the generation of 1945?

Of course, that question cannot yet be answered at this time. We must wait for the process to unfold.

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FUEL PRICE RISE SPURS ROUND OF INCREASES

Kuala Lumpur BUSINESS TIMES In English 23 Jun 80 p 6

(Article by Warief Djajanto in Jakarta)

[Text]

KARMIN, 31, plies the streets of Jakarta in his battered yellow taxi from morning to midnight.

He makes 22,000 rupiahs (US\$35.20) a day. But after subtracting Rp13,000 (US\$20.70) for his employer, and other expenses for gas and food, he takes home a little over Rp4,000 (US\$6.35).

But that was before May 1 this year. Now he has to spend Rp6,750 (US\$10.75) daily for 45 litres of petrol, up from the Rp4,500 (US\$7.15) he spent before for the same amount of fuel.

Now his take home pay is only Rp2,000 (US\$3.20). "And this is just enough to support my four kids and wife," he says.

Karmin is one among thousands of private transport operators throughout Indonesia af-

fecting by the government's 50 per cent rise of the price of petrol. Before May 1, a litre of premium petrol cost Rp100 (US\$0.16). Now it is Rp150 (US\$0.24).

The price of seven other fuels ranging in use for aircraft (avgas) to the kitchen cooker (kerosene) also rose by an average of 50 per cent. The price rise was Indonesia's second in 12 months. The previous price increase for premium gas was from Rp70 (US\$0.11) to Rp100 on April 5, 1979.

In announcing the latest price rise, Jakarta said the "adjustment" was necessary to allow the government to save money for development programmes that otherwise would have to be added to existing subsidies.

In the state budget, there is an expenditure for a number of subsidies, fuel and food, among others, totalling over one trillion rupiahs (US\$1.6 billion) for the current fiscal year. These subsidies amount to 10 per cent of the 10.5 trillion rupiahs (US\$16.5 billion) earmarked for the 1980-81 budget.

The biggest subsidy is for fuel. For the current fiscal year, the govern-

ment is spending Rp828 billion (US\$1.32 million) to subsidise the cost of various fuels used domestically by the majority of Indonesia's 145 million people.

"If the (price of) fuel is not raised, then the amount of the subsidy would be greater still, to about Rp1.3 trillion (US\$2.07 billion). This means that money for development would decrease," says Widjojo Nitisastro, the state minister for economic, industrial and financial affairs and the chief strategic planner of Indonesia's economy.

The price of petrol to the Indonesian consumer is relatively less than in other Asean countries. His Malaysian counterpart, for example, has to shell out the equivalent of Rp247.65 (US\$0.40) for a litre of premium gas after the Malaysian government announced a fuel rise on April 24.

Without subsidies, however, Indonesians would have to pay more for their fuel, a burden that could quickly deplete the purse of many an Indonesian household before the next monthly payday. And these subsidies, though a discomfort to planners in developing countries, may continue in the years ahead.

One reason is that domestic fuel needs are constantly rising. Indonesia expects to consume some 23 billion litres of fuel this year, up by 12.3 per cent from the 20 billion litres used in 1979. Moreover, Indonesia has to import fuel from the Middle East to meet domestic demand.

Indonesia this year has to import 4.8 billion

litres of fuel, primarily diesel and kerosene, more than one-fifth of total consumption. Although Indonesia is a producer and exporter of oil, pumping out 1.6 million barrels a day, the country doesn't have enough refineries to process its own oil.

But the construction of a hydrocracker in Dumai and expansion of refinery facilities in Cilacap and Balikpapan are expected to allow Indonesia to end its dependence on oil imports by 1984.

The fuel price rise inevitably touched off some other price adjustments of government regulated services. State-owned Garuda Indonesian Airways, the postal service and the State Power Corporation PLN, announced new, higher rates. An aerogramme to Europe, for example, used to cost only Rp150 (US\$0.25). Now it's Rp200 (US\$0.32).

The fuel price rise had its immediate effect on private vehicle owners, especially those who make their living driving self-operated taxis, mini buses and opelets, the ubiquitous station wagon model Morris' and Austins of early fifties' vintage. And commuters riding on these transport vehicles have to add Rp50 (US\$0.08) to the Rp100 they paid before.

Low income families, especially those with irregular earnings, are also in the squeeze. KNI reports from Bali that village women in that "isle of the gods" have switched from kerosene to firewood for their cooking, raising the spectre of misguided tree slashing that could lead to environmental damage.

The government says it will do its utmost to minimise adverse effects of the fuel price rise on low income earners. It says it will constantly monitor the market situation and prevent the price of basic needs like rice from rising by ensuring a continuous flow of such goods from producer to consumer.

In the week after the fuel price rise, spot checks showed a 10-15 per cent increase in household basic goods like eggs, chicken and sugar. Sugar rose sharply from Rp300 to Rp350 (US\$0.45 to US\$0.56) per kilo; one kilo of eggs from Rp900 to Rp1,100 (US\$1.15 to US\$1.35).

Unlike in Thailand, there have been no street demonstrations so far. Students of the University of Indonesia, however, quietly polled people in Jakarta's market centres with questionnaires to check how their household pocketbook has been affected by the fuel price increase.

Although Opec, of which Indonesia is a member, may regularly raise the price of crude and thus pour more foreign exchange into Indonesia's own cash register, fuel subsidies are likely to stay.

One economic observer believes the fuel subsidy is "artificial," that Indonesia actually can fulfill its domestic needs for fuel from home production and still have a substantial amount to sell abroad, all without putting a burden on the consumer.

But even if Indonesia will be able to refine its oil for all its domestic needs in 1984, it may not make all of it available for the home market.

As one Department of Mining official remarked, it is more favourable to buy heavy Middle East crude for home consumption and export the more expensive, higher grade petroleum Indonesia yields.

— Depthenews Asia

AGE RESTRICTIONS PLACED ON BUDDHIST MONKS

Kuala Lumpur BUSINESS TIMES in English 20 Jun 80 p 19

[Article by Sylvana Foa in Phnom Penh]

[Text]

THE temple bells are silent. No saffron-robed monks disturb the mists of dawn to begin their morning meal.

Buddhism is virtually dead in a land which five years ago boasted a landscape dotted with 2,550 pagodas and a monk population of 70,000 or one per cent of its population.

Today there are only 1,553 monks and 510 functioning pagodas in Kampuchea.

It is unlikely those numbers will increase soon, if ever. In the great plan for the reconstruction of Kampuchea, there is little room for the resurrection of Buddhism.

Pol Pot and the ultra-revolutionaries who ruled Kampuchea from 1975 until 1979 must bear the brunt of responsibility for the near destruction of spiritual life here. It was Pol Pot who ordered the monks stripped of their robes and driven from their temples.

The current, Vietnamese-installed regime, however, reaps the benefits of the decimation and has made it clear that the restoration of a powerful

religious influence in Kampuchea will not be tolerated.

By government decree, only monks already past the age of 50 are permitted to redon the saffron robes and return to the contemplative life of the wat, or temple.

Those under 50, no matter what senior rank they had reached in the clergy, are forbidden to renounce lay life once again.

The government's explanation is that Kampuchea needs all its manpower for national reconstruction and a large monk population is a luxury the nation can ill afford at the present time.

Privately, Kampucheans say the still-secret Communist Party that rules their ravaged nation is not anxious to see the Buddhist clergy regain the sway it once held over the social and moral lives of 85 per cent of the Kampuchean people.

Neither, Kampucheans believe, is the government willing to see the re-establishment of a powerful Buddhist clique independent of its jurisdiction.

So, only old men can return to Kampuchea's

crumbling pagodas but few monks complain.

"There are many former monks who are in their 30s and 40s who want to take up the robes again but they cannot," said Lok Thimpak, whose 77-year-old frame is tattooed from shoulder to knee with religious designs. "There is nothing to say. The law is like this."

Lok Thimpak said he knew of no laymen above the age of 50 who had applied to join the clergy.

"It takes months, maybe years, to learn the language of the scriptures,

Pali, and the 227 rules of discipline," he said. "Very few men over 50 can begin these things."

The ancient monk was one of a handful who kept his robes during the Pol Pot era.

"A nephew of mine was one of Pol Pot's cadres and he protected me," Lok Thimpak said. "I was not defrocked but I was sent far away into the forest to work as a guard-ian at a banana plantation."

Lok Om, 67, sobbed openly when he described the assassination of those monks in his village who refused Pol Pot's orders

to remove their robes.

"I put on peasant clothes and ran away to Kampot where people protected me."

He said, "It was very dangerous but people would come to me secretly to ask me to recite the Buddhist prayers."

With memories of Pol Pot's atrocities still fresh in his mind, Lok Om was unwilling to be drawn out on the new regime's rules.

"It is not for monks to say, it is not for monks to judge," he said. — UPI

LEADERS' MESSAGES TO, FROM FOREIGN STATESMEN REPORTED

Cape Verde National Day

Vientiane BULLETIN QUOTIDIEN in French 5 Jul 80 pp 4-5

[Text] Vientiane (KPL). On the occasion of Cape Verde National Day, His Excellency Souphanouvong, president of the Lao People's Democratic Republic, sent on the 5th of this month the following message of congratulations to His Excellency Mr Aristides Pereira, president of the Republic of Cape Verde:

"On the occasion of the national holiday of Cape Verde, on behalf of the government of the Lao People's Democratic Republic, the people of Laos, and myself personally, I am happy to present to Your Excellency my warmest congratulations and through Your Excellency to present my best wishes for happiness and prosperity to the government and people of Cape Verde.

"High regards."

On the same occasion His Excellency Phoun Sipaseut, deputy prime minister and minister of foreign affairs of the Lao People's Democratic Republic, equally sent a message to His Excellency Abilio Duarte, minister of foreign affairs of the Republic of Cape Verde.

Phoun Sipaseut Message to Canada

Vientiane BULLETIN QUOTIDIEN in French 3 Jul 80 p 1

[Text] Vientiane (KPL). Phoun Sipaseut, deputy prime minister and minister of foreign affairs of the Lao People's Democratic Republic sent on the first of the month the following message of congratulations to His Excellency Mark Macguigan, Canadian secretary of state for external affairs:

"On the occasion of the national holiday of Canada I have the honor to present to Your Excellency my sincere congratulations and best wishes. May the relations existing between our two countries continue to develop with every passing day.

"High regards."

Souphanouvong Message to Canada

Vientiane BULLETIN QUOTIDIEN in French 1 Jul 80 p 1

[Text] Vientiane (KPL). On 30 June 1980 Souphanouvong, president of the Lao People's Democratic Republic, sent the following message to His Excellency Mr Edward Richard Schreyer, governor general of Canada:

"I have the honor to present to Your Excellency my sincere and warm congratulations on the occasion of the Canadian national holiday. On this occasion allow me to reiterate to Your Excellency and to the people of Canada my best wishes for happiness and prosperity.

"With very high regards."

Souphanouvong Condolences to India

Vientiane BULLETIN QUOTIDIEN in French 27 Jun 80 p 1

[Text] Vientiane (KPL). On 25 June Mr Souphanouvong, president of the Lao People's Democratic Republic, sent the following telegram to His Excellency Nellam Sanjiva Reddy, president of the Republic of India:

"I was deeply sorry to learn of the passing away of former President V. V. Giri. On behalf of the people of Laos and on my own behalf allow me to express to Your Excellency my deep sympathy and, through your intermediary, to the people of India and the family of the august deceased.

"With very high regards."

Message from Genscher

Vientiane BULLETIN QUOTIDIEN in French 27 Jun 80 p 1

[Text] Vientiane (KPL). Phoun Sipaseut, deputy prime minister and minister of foreign affairs of the Lao People's Democratic Republic recently received an expression of thanks on the part of his counterpart in the German Democratic Republic, Mr Hans-Dietrich Genscher for the message sent to the latter on the occasion of RDA national day.

Souphanouvong Message to Madagascar

Vientiane BULLETIN QUOTIDIEN in French 26 Jun 80 p 1

[Text] Vientiane (KPL). Mr Souphanouvong, president of the Lao People's Democratic Republic, addressed today the following state telegram to His

Excellency Didier Ratsiraka, president of the Democratic Republic of Madagascar.

"On the occasion of the national day of the Democratic Republic of Madagascar, on behalf of the people of Laos, the government of the Lao People's Democratic Republic and on my personal behalf, I am happy to send to Your Excellency and, through you, to the Malagasy people and government, my warmest congratulations and best wishes for happiness, prosperity, and success in national building.

"May the relations of friendship and solidarity between our two countries and peoples develop and become closer with every passing day.

"With very high regards."

On the same occasion, Phoun Sipaseut, deputy prime minister and minister of foreign affairs of the Lao People's Democratic Republic, also sent a telegram to His Excellency Richard Christian Remi, minister of foreign affairs of the Democratic Republic of Madagascar.

Message to Mozambique

Vientiane BULLETIN QUOTIDIEN in French 25 Jun 80 p 4

[Text] Vientiane (KPL). Mr Souphanouvong, president of the Lao People's Democratic Republic, sent today the following telegram to His Excellency Mr Samora Moises Machel, president of the People's Republic of Mozambique:

"On the occasion of the celebration of the fifth anniversary of the founding of the People's Republic of Mozambique, on behalf of the people of Laos, the government of the Lao People's Democratic Republic, and on my personal behalf, I am very happy to present to Your Excellency and, through you, to the people and government of Mozambique, my warmest congratulations and best wishes for happiness, prosperity, and great success in national defense and building.

"May the relations of friendship and militant solidarity between our two countries and peoples develop and strengthen with every passing day.

"With very high regards."

On the same occasion, Mr Phoun Sipaseut, deputy prime minister and minister of foreign affairs, equally sent, on the same day, a telegram of congratulations to his Mozambican counterpart, His Excellency Joaquim Chissano.

5157
CSO: 4200

BRIEFS

KHAMMOUAN CERAMICS PRODUCTION--Vientiane (KPL). In the past two months the ceramics producers in Nongbok, Nong Don, and Nong Saphang, Nongbok commune and districts, Khammouan Province, sold over 17,000 jars, 7,000 large pots, and over 52,000 mortars and pestles among other household articles. [Text] [Vientiane BULLETIN QUOTIDIEN in French 30 Jun 80 p 1] 5157

HOMAGE TO EX-PRESIDENT GIRI--Vientiane (KPL). Led by Mr Kou Souvannamethy, minister of justice, in the morning of 27 June representatives of the government of the Lao People's Democratic Republic, laid a wreath at the Indian Embassy in Vientiane in homage of the ex-president of the Republic of India, V. V. Giri, who passed away on 24 June 1980. Kou Souvannamethy made the following entry in the record of homages: "The government of the Lao People's Democratic Republic has posthumously honored, with sadness, the ex-president of the Republic of India, V. V. Giri." [Text] [Vientiane BULLETIN QUOTIDIEN in French 28 Jun 80 p 1] 5157

SISATTANAK CULTIVATION--Vientiane. The members of the agricultural cooperatives and the peasants of five communes of Sisattanak Arrondissement have completed so far 75 percent of replanting of 880 hectares of rice paddies. [Excerpt] [Vientiane BULLETIN QUOTIDIEN in French 2 Jul 80 p 2] 5157

PHOUMI VONGVICHIT AT CONFERENCE--Vientiane (KPL). The National Committee of the International Year of the Child organized on 24 June in the afternoon at the National Center for Pedagogical Research, in Vientiane, a ceremony in the course of which it reviewed its past activities. Phoumi Vongvichit, deputy prime minister and minister of education, sports, and religious affairs, and president of the National Committee of the International Year of the Child, enhanced the ceremony through his presence. Also noteworthy was the presence of the heads of offices of various ministries, representatives of the Lao Trade Unions Federation, the Lao Association of Patriotic Women, the Lao People's Revolutionary Youth, and of the Agency for the Protection of Mothers and Children. On that occasion, Bounthavi Insisiengmai reported on the celebration of the International Day, on 1 June 1980, the activities of the National Committee of the International Year of the Child, and the immediate program for the development of the network of child care, and, specifically, on the next five-year plan which will also be the first of its

kind. Then, Phoumi Vongvichit took the floor to congratulate for their success the National Committee for the International Year of the Child and the national organizations for their concern and care for the children. He also called upon everyone to work even better in protecting the life of the children and organize and develop adequate places enabling the children to pursue their education at all levels, throughout the country, in order to become vigorous people who will continue the pure, healthy, and radiant work of the fatherland. [Text] [Vientiane BULLETIN QUOTIDIEN in French 25 Jun 80 pp 2-3] 5157

PHON HONG CULTIVATION--The members of the agricultural cooperatives and the peasants of eight communes in Phon Hong District recently completed 100 percent of their plowing and harrowing operations over more than 7,000 hectares of rice paddies, over 3,000 of which were replanted. [Text] [Vientiane BULLETIN QUOTIDIEN in French 26 Jun 80 p 3] 5157

CINEMATOGRAPHIC DELEGATION TO CSSR--Vientiane (KPL). A Lao cinematographic delegation of the Ministry of Information, Propaganda, Culture and Tourism, led by its deputy director Thouang Chaleunesouk left on 25 June for the Czechoslovak Socialist Republic. It will take part in the national films festival which will be held from 27 June to 3 July 1980 in Prague. On the same occasion, the Lao delegation will also take part in a meeting of preparations for the conference of cinematographic specialists of socialist countries, which will also take place in that country. [Text] [Vientiane BULLETIN QUOTIDIEN in French 27 Jun 80 pp 2-3] 5157

NASAITHONG, HATSAIFONG CULTIVATION--Rice transplanting. Starting with the beginning of June, the members of cooperatives and the peasants of the various villages in Nasaithong and Hatsaifong districts, Vientiane Province, have been active in replanting rice over an area in excess of 10,000 hectares, of which over 6,000 in Nasaithong, of a 9,600 hectare overall, and 4,000 out of 8,080 hectares in Hatsaifong. [Text] [Vientiane BULLETIN QUOTIDIEN in French 1 Jul 80 p 4] 5157

SARAVANE LIVESTOCK--Growth of herds. In the first quarter the number of heads of cattle in the districts of Khong Sedon and Lakhon Pheng [Saravane Province] increased considerably. Currently the herds total over 60,000 head in Khong Sedon and over 17,000 in Lakhon Pheng. [Text] [Vientiane BULLETIN QUOTIDIEN in French 1 Jul 80 p 4] 5157

NEW BANK BRANCH--Vientiane (KPL). On 27 June the branch of the National Bank of Laos in Vientiane Province opened a branch in Hatsaifong District. Present at the opening ceremony were members of the managing committee of the branch of the Laos National Bank of Vientiane Province, the administrative committee of Vientiane Province, and Hatsaifong District, and representatives of the administrative committee of the district communes. This is the third branch in Vientiane Province. It was preceded by the branches in the Phon Hong and Paksan districts. Their

purpose is to implement the seventh resolution of the party's Central Committee of creating National Bank of Laos branches in all the provinces of the country and their annexes in all districts and arrondissements. The new annex will receive the cash deposits of state stores, state economic bodies, and production units of the population. It will grant loans to state economic bodies and people's collectives so that they may contribute to the development of the economic bases. The annex will also act as a savings bank for the locality. [Text] [Vientiane BULLETIN QUOTIDIEN in French 1 Jul 80 p 4] 5157

NEW OUDOMSAI COOPERATIVES--Recently the peasants of Bankat, Pounghien and Long Nha villages, Ban Bo Commune, Muongsai District, Oudomsai Province, voluntarily set up agricultural cooperatives totaling 117 families with 400 members cultivating 214 hectares in rice. So far 14 cooperatives have been set up in the district. [Text] [Vientiane BULLETIN QUOTIDIEN in French 3 Jul 80 p 5] 5157

CSO: 4200

MEMBERS OF ISLAMIC UNDERGROUND MOVEMENT ARRESTED

Kuala Lumpur NEW SUNDAY TIMES in English 29 Jun 80 p 1

[Text]

ALOR STAR, Sat. — Five more members of the underground movement, Pertubuhan Angkatan Sabilullah (P.A.S.), have been arrested by the police under the Internal Security Act (ISA), Kedah-Perlis Chief Police Officer, SACP Datuk Abdul Majid bin Din disclosed today.

Speaking at a Press conference here, Datuk Abdul Majid said four of them were arrested in Kedah on June 16 while the fifth was arrested the following day.

They are P.A.S. vice-commissioner Haji Ahmad bin Awang, 39, P.A.S. leader of Sala Che Me alias Ismail bin Ahmad, 37, P.A.S. leader of Alor Merah Ismail bin Jaafar, 44, P.A.S. leader of Bukit Raya Hussein bin Sa'ad, 38, and P.A.S. ordinary member Ismail bin Abdul Rahman, 30.

He said Haji Ahmad is also a former Pas State assemblyman for

Pengkalan Kundor, Che Me is the Pas secretary for Sungai Dedap branch, Ismail Jaafar is the Pas committee member for Kampung Padang Parak branch, Hussein is the Pas vice-head of the Kampung Kerbau branch and Ismail Abdul Rahman is the Pas youth leader of the Kuala Kedah branch.

Datuk Abdul Majid said their arrest was a follow-up action against P.A.S. members involved in the underground activities since police arrested six members of the underground movement last April. One of them were later released.

Reason

Datuk Abdul Majid stressed that the five were arrested not because of their political involvement in the Pas party but because of their involvement in P.A.S. e

"Action is being taken against P.A.S. members irrespective of their political parties because the underground movement

threatened the country's security," he said.

"We do not consider the social or political status of a person when arresting those involved in illegal activities," he added.

The Chief Police Officer denied that a Pas member, Yaacob bin Saad, was one of the six arrested but later released as reported earlier in a local paper.

"Police did not arrest him," he said. He also denied that the other five were arrested because they were Pas members.

THAILA RENOUNCES CLAIM TO SABAH

Kuala Lumpur NEW STRAITS TIMES in English 25 Jun 80 p 1

(100)

KUALA LUMPUR.
Tues. — The Philip-
pines has dropped its
claim on Sabah and
will not pursue it, its
Minister of State for
Foreign Affairs, Mr
Arturo Tonentino, said
today.

"As far as we are concerned, the case is closed," he said.

"There is no move on the part of the Philippines Government to take any further action on Sabah."

He was speaking at a Press conference on arrival here to attend the Asean Foreign Ministers' meeting tomorrow.

He made the statement in reply to a question as to whether President Marcos had taken the necessary constitutional steps to renounce the claim on Sabah as he had announced at the 1977 Asian Summit here.

It is understood that the President had consulted leaders of the National Assembly and they agreed with him.

Mr Tonentino said the claim was presented by the previous administration.

Sabah was not mentioned in the Philippines constitution nor was it in the map of the Philippines.

CAUTION WARNED AGAINST LETTER BOMBS

Malaya Lumpur NEW STRAITS TIMES in English 18 Jun 80 p 1

[10-11]

KUALA LUMPUR.
ues. — The postal au-
thorities today advised
the public to beware of
letters or parcels re-
ceived from unknown
sources.

The Director-Gener-
al of Posts, Mr M. Ra-
jaalingham, said in a
statement that the pub-
lic should regard as
suspect parcels or let-
ters from which metal
or other wires pro-
truded or which had a

small hole the size of a
pinhead or traces of
grease on the envelope
or wrapping paper.

They should be
cautious of items which
give off an odour of
almonds or marzipan
and those which make
metallic sounds when
shaken or letters which
are bulkier than nor-
mal or appear to con-
tain an article ressemb-
ling a pencil.

08011 5320

NAVAL EXERCISES PLANNED WITH THAILAND, INDONESIA

Kuala Lumpur NEW SUNDAY TIMES in English 29 Jun 80 p 11

[Text]

PENANG, Sat — Malaysia and Thailand will hold the biggest combined naval exercise so far in August, the Deputy Chief of Naval Staff, Komodor Datuk Abdul Wahab bin Haji Nawi said today.

Datuk Wahab said the month-long manoeuvres will begin at the RMN headquarters in Woodlands (Singapore) and move up towards the Thai coastal town of Sattahip and Bangkok.

He said this would be the biggest joint exercise so far between the RMN and the Royal Thai Navy. At least 20 ships from the two navies will take part.

Datuk Wahab returned to Kuala Lumpur this afternoon after heading a 10-man delegation to a six-day meeting between the RMN and the Indonesian Navy.

The meeting, the sixth so far between the two navies, was held under the auspices of the Malaysia-Indonesia general border committee.

The Indonesian delegation was led by Rear Admiral Moestopo.

Datuk Wahab said the next major joint naval exercise with the Indonesian navy will be in May next year.

He said the meeting discussed ways and means both navies could work together closely "in the areas of common

border and security interest."

The two navies have been co-operating and conducting joint exercises in the Straits of Malacca and the South China Sea since 1973.

"We discussed issues on improving operational procedures, tactics, communication and other naval procedures," Datuk Wahab said.

The two parties also reviewed past co-operation and discussed the need for further combined manoeuvres.

Datuk Wahab said the two navies were also co-operating in the training of officers and men.

RMN personnel have attended the Commando Training School in Surabaya and the Indonesia Naval Staff College while Indonesian men have attended the Armed Forces Staff College in Kuala Lumpur.

IRAQ PROMISED TO SUPPLY OIL ON LONG-TERM BASIS

Kuala Lumpur NEW STRAITS TIMES in English 11 Jun 80 p 9

(Cont)

KUALA LUMPUR, Tues. — Malaysia expects to clinch a long-term deal with Iraq for its future energy requirements.

Deputy Foreign Minister Datuk Mokhtar Hashim said though Malaysia is now a net exporter of oil, it would, by 1983, become a net importer because of declining production.

Speaking in Baghdad on Sunday at the second Malaysia/Iraq joint committee meeting, he said Petronas plans to set up a refinery for domestic consumption.

Malaysia hopes Iraq would supply wholly or partially the crude to be refined here.

The refinery which is expected to come on stream by 1984/1985 will have a capacity of 120,000 barrels of crude oil a day.

Datuk Mokhtar said Iraq had earlier expressed willingness to consider Malaysia's future requirements for crude oil.

Datuk Mokhtar at the weekend meeting urged

the Iraqi Government to make the long-term arrangement a reality.

In the speech released here today, Datuk Mokhtar also asked the Iraqi Government to invest in Malaysia's palm oil industry in addition to carrying out trading arrangements.

This was one of two potential projects he identified for possible joint ventures between the two countries. The other was for fresh-water aquaculture.

In addition, Datuk Mokhtar expressed Malaysia's interest to have Iraqi experts in the "drip irrigation" system to help develop our agricultural areas and disused mining lands.

In the fields of training and education, he called on the Iraqi Government to hold special arrangements for Malaysian students to take up the Arabic language before undergoing courses at their universities so as to ensure a high success rate.

SABAH GAS RESOURCES TO BE USED TO DEVELOP LABUAN

Kuala Lumpur BUSINESS TIMES in English 20 Jun 80 p 1

[Text]

THE Sabah state government has plans to make use of its natural and associated gas resources to further advance the economic development of the state, especially Labuan by transforming it into a "mini Singapore".

The state government's plans for the utilisation of its natural resources were outlined by Datuk James Ongkili, Deputy Chief Minister, on Wednesday after the signing of a memorandum of understanding between the state government, Petronas and the Sabah Shell Petroleum Co Ltd on the exploitation and piping of natural gas.

Datuk James was quoted as saying that the government was looking into the feasibility of setting up a sponge iron industry using gas as fuel.

It is understood that the sponge iron smelter has a better chance of getting off the ground as compared with the \$1.5 billion aluminium smelter which was first proposed, as it involves less capital outlay and requires much less gas.

A South Korean com-

pany — believed to be Hyundai — has shown interest in the project. The state government is believed to be anxious to set up the plant so that the gas brought up with oil, now being flared, is put to economic use.

The state will start producing gas — both associated and non-associated — from its offshore oil fields in Semarang (80 miles southwest of Labuan) and Erb West field (80 miles northwest of Labuan) in 1983. At the moment, it is estimated that \$100,000 worth of gas is flared daily from the oil fields off Labuan.

Foreign consultants, in determining the most suitable industry to be set up, has found that the quantity of gas available is ideal for a sponge iron plant.

Petronas and Sabah Shell have guaranteed delivery of an equivalent of 60 million standard cubic feet a day for 20 years.

A feasibility study carried out by Aluminium Pechiney of France and Hyundai of South Korea indicated that the

aluminium smelter will have to produce 120,000 tonnes of aluminium a year to be viable.

But gas offered by Petronas will not be enough to sustain production at this level.

Petronas had offered enough gas to generate 260 MW of electricity but the situation was further complicated when the Sabah government wanted 77 MW of the electricity for general consumption. This left the smelter with 183 MW which is enough to produce only 110,000 tonnes of aluminium a year.

In view of these obstacles, the state government has come up with the sponge iron project as an alternative. Since Hyundai has expressed interest in participating in it, the project, if realised will be the first South Korean investment in Sabah.

Another project being considered by the Sabah state government is the setting up of a smelter to process copper (from the Mamut mines) now exported as concentrates.

This will enable the

state to get better value for its copper which is being mined by a Japanese company, the Overseas Mineral Resources Development (OMRD).

Labuan, a 33 square mile island, already has a number of existing industries and more are in the pipeline. The availability of gas is expected to boost industrial growth significantly.

Besides its sheltered Victoria harbour with deep water access, Labuan also has free-port status. These make for a certain similarity to Singapore, justifying Sabah Chief Minister Datuk Harris Salleh's hopes that Labuan will become a mini Singapore in time.

RUSS-MALAYSIA SHIPPING AGENCY TO BEGIN OPERATIONS

Kuala Lumpur NEW STRAITS TIMES in English 13 Jun 80 p 7

[Text]

KUALA LUMPUR, Thurs. — A joint-venture shipping agency formed recently between the Soviet Union and Malaysia — the Bumiflot Sdn. Bhd. — is to be in operation soon.

The agency's operation which was scheduled to have begun last March had to be delayed due to some technical problems.

The Soviet Union ambassador to Malaysia, Dr B.T. Kouchik who said this added that with the establishment of the agency the bilateral trade relations between the two countries could be improved.

He said the Soviets were only waiting for the Malaysian side to give

the green light for the agency to start its operation.

Partners in the venture are Syarikat Perkapalan Lautan Tenang Sdn. Bhd. which holds 51 per cent share and V/O Sovfracht (Soviet) Merchant Fleet.

Dr Kouchik said Soviet ships were making more than 200 calls at Malaysian ports every year to ship Malaysian cargo to the Soviet Union.

"We had imported more than \$170 million worth of rubber from Malaysia last year and had also increased our import of Malaysian palm oil," he added.

He said Bumiflot which would operate completely on a commercial basis could also

operate for other destinations which have trade links with the two countries.

Dr Kouchik was speaking to reporters after visiting Minister Without Portfolio, Datuk Haji Mohamed bin Nasir here today to discuss the possibility of Malaysia participating in a conference organised by the Soviet Union in conjunction with the Fifteenth Century Hijrah.

He said the Soviet Union would invite all Muslim countries to send five representatives each to participate in the conference.

He said the official invitation to the Malaysian Government would be forwarded through the Wisma Putra soon.

CARIGALI TO BEGIN DRILLING OFF SABAH

Kuala Lumpur NEW STRAITS TIMES in English 28 Jun 80 p 32

[1981]

KOTA KINABALU, Fri. Carigali-BP Sdn. Bhd., the joint-venture company newly formed by Petronas and British Petroleum, is to start oil exploration in its contract area in northwest Sabah soon.

Seismic tests will begin in August in the 1,220-square-mile area which lies between 10 and 20 miles west of Kudat, Carigali-BP's general manager, Mr G. V. Wood, said here today.

The venture marked Petronas' debut in oil exploration and the first project between British Petroleum and a host country in the exploration field, he said.

The company would spend at least \$90 million on exploration in the area over the next two years, he added.

Two wells

Mr Wood said prospects of an oil strike were very bright because the area lay along known oil and gas provinces and on the same trend as the "South Furious" and "Erb West" fields, where Shell had earlier struck oil.

He said the company would drill two wells by next year and another two in 1982.

For this purpose, BP was expected to ship its drilling rig, *Ben Lomond*, currently operating off-shore Bombay, India, to Sabah waters next year.

Mr Wood, who was BP's exploration manager in the North Sea, said Malaysian personnel from Carigali, the exploration arm of

Petronas, and expatriates from British Petroleum would work as a team during the exploration.

This would enable Malaysians to acquire expertise and experience in the highly specialised field of oil technology.

It was also BP's intention to ensure a smooth transfer of technology to Malaysians, he said.

Mr Wood said BP had had a very high rate of success in exploration in other parts of the world and its decision to pump a large sum of money into this latest venture showed it was confident that another oil strike was not far off.

"If things go according to schedule, production can begin three years from now," he said.

He added that the exploration would provide employment opportunities, especially to the people of Sabah.

Carigali-BP would set up an office here and an operations base in Kudat early next year.

Kudat, therefore, might possibly join towns like Miri, Kuala Trengganu and Labuan as oil growth centres.

PAKISTAN

PRESIDENT HOPES FOR JOINT VENTURES WITH JAPAN

Lahore THE PAKISTAN TIMES in English 21 Jul 80 p 1

[Text] Tokyo, July 20--President Zia-ul-Haq, today expressed the hope that Japan would enter into joint ventures with Pakistan, bringing together the Japanese technology and Pakistani manpower which will go a long way in the development of Pakistan's mineral resources.

Appearing in a programme on Afghan refugees telecast by Nippon Television, a major network of Japan, he said the most effective way for Japan to help would be to further cooperate in the economic development and strengthening of Pakistan.

In his remarks, recorded by the NTV in Pakistan, President Zia while emphasising the necessity for economic and realistic aid dilated on the present world situation, against the background of historical perspective.

The NTV commentator said that Pakistan had capable leader who will steer the country clear out of the present crucial situation caused by the Soviet intervention in the neighbouring Afghanistan.

CSO: 4220

ISLAMABAD ADOPTS LOW PROFILE ON AFGHAN ISSUE

ISLAMABAD BUSINESS TIMES in English 28 Jun 80 p 6

[Article by H.K. Burki in Rawalpindi]

[Text]

WHEN Soviet divisions rolled into Afghanistan last December, there was an almost universal outcry, with President Carter calling it the gravest international crisis since the Second World War.

Six months later, however, the crisis appears to be settling down into just one more international issue, serious but not unmanageable. And despite all the shouting, boycotts, diplomatic pressures, economic sanctions and guerrilla raids, the Russians have not only refused to budge, but they and their progeny, the Karmal regime have, in addition, won the first round.

Withdraw Russian forces immediately and let the Afghan people choose their own government. This in a nutshell was the original, imperious demand. It was endorsed enthusiastically by Washington's allies and supporters.

More importantly, Islamic foreign ministers, meeting in emergency session in Islamabad in January, were so carried away by their concern for Afghan fellow Muslims that they saw fit to add to the demand two more

articles. Diplomatic break with Kabul and no contact with Moscow. The confrontation could not have been more stark.

Four months hence, the same Islamic foreign ministers gathered again in Islamabad but this time the earlier fire and brimstone was replaced by long, acrimonious debates, critical reappraisal and, finally, the appointment of a three-man committee for seeking a political settlement.

The committee has been authorised to negotiate with Moscow and, more relevantly, with the Karmal regime. All the fancy phrases reiterating the January Declaration could not conceal the dramatic nature of the turnabout.

This remarkable change in the attitude of the Islamic conference came about partly because of the Karmal government's energetic lobbying of the Arab Steadfast Front States. The argument advanced by these states at the foreign ministers conference was compelling. Rather than keep a fraternal Muslim state isolated, a way should be found to bring Afghanistan back into

the fold; ~~and when~~ the Russians would have to withdraw their forces.

A more decisive role, however, was played by Pakistan. In January, its military rulers were flying high with expectations of a massive injection of economic and military aid from Washington and the oil-rich Islamic states. But gradually they realised to their dismay that neither the Americans nor their Muslim brethren were

going to oblige. And to its horror, Pakistan found itself cast as the sole front-line state.

The enormity of the dangers facing Pakistan has been impressed upon it by the Soviet Union, and not just by the verbal assaults of its powerful media.

In recent weeks, Russian war planes are known to have frequently penetrated deep into Pakistan, jamming its radar and telecommunications network. There have been actual bombings of some of the border areas as well. Developments largely ignored by Western correspondents who generally prefer to concentrate on travellers' tales about "the

freedom struggle" inside Afghanistan.

The Russian message had come through strong and clear, and Pakistan thus saw to it that rather than issue another package of empty threats the Islamic foreign ministers appointed a committee for direct negotiations. It is now banking upon this committee to get it off the hook.

Actually, Pakistan was never in a position to conduct any kind of campaign against the Marxist regime in Kabul, leave alone the Soviet Union. For apart from some extremist religious elements, most of its countrymen have not been unduly exercised about developments in Afghanistan. They have worries enough of their own. An unsettled political situation and a depressed economy.

The Zia regime was not unaware of the people's indifference, but it had gone on the offensive in an effort to plug future Soviet political penetration of Pakistan and win some measure of popularity as a bonus.

Now that Moscow has raised the stakes by an unnerving show of force, Pakistan has had to back

down and take a more conciliatory line.

Another reason impelling the Pakistan regime to adopt a low profile is the growing awareness that eventually the two super powers are going to bargain directly, and its continued opposition to Kabul would be one of the chips to be traded at the gaming-table. Already, taking note of the Muskie-Gromyko contacts and other goings-on, Pakistani officials have talked publicly of another Yalta in the offing.

Bearing in mind the strategic ramifications of the Afghan issue, it is obvious that neither the ill-assorted Islamic conference nor Pakistan are in a position to lever the Russians out of Afghanistan or to replace the Marxist regime with a right-wing coalition. In the circumstance, the appointment of the committee was the only logical course for them to follow. What is more, the committee's composition has brought Pakistan within hailing distance of the Karmal government.

The Afghans had offered talks to Pakistan and Iran to sort out bilateral problems. De-

spite efforts to appoint a broad-based group, only Pakistan and Iran were chosen for the committee with the Secretary-General joining in merely to lend it conference cover. So Pakistan can now deal directly with Kabul.

In all likelihood, the committee is not going to have a smooth run, if for no other reason than the erratic positions taken by the Iranian Foreign Minister. Pakistan, however, seems fully keyed up for negotiating a settlement and has done everything in its power to prepare the ground for it. The Afghan refugees have been disciplined and their camps are being pulled back from the border belt.

These conciliatory moves are important, because Brezhnev has indicated in his letters to General Zia that a containment of the Afghan guerillas would pave the way for a Soviet withdrawal.

In any case, even if the committee fails to make any headway, its very existence has ensured that for some time to come at least the Afghan crisis has been defused. —
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NEW DIRECTOR OF CUSTOMS INTELLIGENCE APPOINTED

Quetta BALUCHISTAN TIMES in English 19 Jul 80 p 1

[Text] Quetta, July 18--The Collector Excise and Land Customs for Baluchistan Syed Naunihal Zaidi has been appointed Director Customs Intelligence Pakistan. He is leaving Quetta for Karachi tomorrow to take up new assignment.

It may be recalled that Mr Naunihal Zaidi was the first Collector in Baluchistan after the establishment of a customs collectorate in Quetta. During his tenure performance of his department was remarkable which was commended by the President General Mohammad Zia-ul-Haq himself during his visit to the province last year.

Under his guidance the Customs department set new standards of vigilance and alertness and their performance evoked appreciation of the people and the Government.

The Baluchistan Governor Lt-General Rahim Uddin Khan gave prizes to a number of Customs employees for their outstanding performance. Mr Naunihal Zaidi took a number of steps to improve the working of this department and to restore public confidence in the department. It was during his tenure of duty in Baluchistan that Customs chains from the highways at different check posts were removed.

During his stay as Collector in Baluchistan, the Customs department was able to make sizable increase in revenues. He also encouraged employment of local youth in the Customs department and Baluchistanis were given due representation in the land Customs.

Mr. Zaidi also paid due attention to welfare of the employees and always tried to promptly solve the genuine difficulties of the Customs staff.

Tributes have been paid to the services of Mr Naunihal Zaidi by the members of general public, commercial and trade circles including Baluchistan Chamber of Commerce and Industry.

Meanwhile Mr Zaidi made a farewell call on the Provincial Governor Lt-General Rahim Uddin Khan, his adviser 'ja Ahmad Khan and the Provincial Chief Secretary Mr M. Ziauddin Khan.

TWO STATEMENTS BY PUNJAB GOVERNOR TREATED WITH SARCASM

Karachi JASARAT in Urdu 2 Jul 80 p 3

[Editorial: "Nobody Understands Anything"]

[Text] One newspaper headline proclaimed: "Federal cabinet will be expanded. Governors to form provincial cabinets soon." (President's speech--Karachi JASARAT 4 June 1980).

Another headline said: "Baluchistan does not need a provincial cabinet." (Lieutenant General Rahim-ul-Din, Governor of Baluchistan, in a talk with newspapermen after his speech on budget--Karachi JASARAT 30 June 1980).

And yet a third headline read: "Provincial cabinets will be formed after the federal cabinet has been expanded." (Governor of Punjab in conversation with newsmen--Karachi JASARAT 1 July 1980).

Many Federal cabinets have been formed and dissolved since 5 July 1977. There has been a lot of noise about formation of provincial cabinets, but nothing has happened. Why can't the Federal government run without ministers? And why is there no need for ministers at the provincial level? The answers to these questions are known to the princely government people only. We are not told anything. So, could we tell our readers?

The Heavy Obstructive Rock

Lt Gen Gulam Jailani, Governor of Punjab, has declared that "the newspapers have full freedom to expose any activities of government. We welcome comment on the activities of government."

Only the people of Punjab can interpret the meaning of this statement. We cannot understand anything from this far. It seems like the Governor is dissatisfied with his staff. The officers in Punjab are in trouble now. We

sympathize with them, but also feel that they must have done something terrible. That is why the Governor has given "full freedom" to the newspapers to take that apart. "Full freedom" is a complex word.

Only God knows what exactly it does mean. The sages of our time cannot explain it. They just say that the freedom of press is as large as a needle's eye.

The statement of the Governor of Punjab also tells us that only Punjab has problems. The governments in the provinces of Sindh, Baluchistan, and Sarhad [border] are managed by angels. It is peaceful there. All government officials are serving the common man in the name of God and no one there has any complaint. So, this "full freedom" is not necessary there!

Let us see how the newspapers in Punjab will use this "full freedom." The huge rock of the Amendment to the Pakistan Penal Code 499 is in the way of "full freedom." This heavy rock does not let anyone print even the truth, so that the "good name" of any offender may not be blackened. The heavy rock of this penal code does not let us think clearly!!!

Women Councillors and Police Stations

Lt Gen Gulam Jailani, Governor of Punjab, has also issued a statement advising police stations to have a woman councillor, and, in her absence, a respectable lady from the community, present during the questioning of a woman criminal. The Governor explained the reason for this step as a precaution against molestation.

The Governor seems to be in good form. He is offering freedom of the press to newspapermen and protection to women. May God protect his enlightened mind and big heart. This action, however, enlightens us about his naivete rather than his enlightened mind. The poor Governor is really naive. He is ignorant about the way police stations function, and how a visit to a police station could adversely affect a person's reputation. He might be thinking that his action must have gladdened the hearts of the elected lady councillors and respected women of the community and that they might be praying for the health of the Governor for conferring such an honor on them. The truth, in our opinion, is quite the opposite.

The elected ladies must be grieving. Each must be saying to herself, "I had to get elected to face such bad days! Now, I have to lose my reputation by visiting police stations." In our society a woman is kept away from police stations and courts. A woman's proximity to police stations and courts is considered derogatory to her character. The poor elected ladies and respectable women will have to tell people why they were in the police station. They will have to explain that they were not arrested. Even if they do not have to face such situations, would not listening to the special language of policemen be a torture to these ladies? The policemen too will feel uneasy. They will be aware of the presence of respectable women like their sisters and mothers, and will have to change the age-old system they use for interrogation. They will not be able to talk freely in the presence of these respectable women, and their efforts to be police will make them look silly. We sympathize with the respectable women and policemen of Punjab. Both groups must be praying for their Governor!!!

SOME IMPROVEMENTS IN STATE OF ECONOMY

Kuala Lumpur BUSINESS TIMES in English 27 Jun 80 p 3

[Text]

ISLAMABAD, June 26

PAKISTAN's economy made exceptional gains in various sectors this year but remained confronted with major problems stemming from international factors, official sources said.

A pre-budget survey released on Tuesday at the end of the fiscal year showed that gross domestic product (GDP) increased by 6.2 per cent. The agricultural sector revealed a rise of 6 per cent and the large and small manufacturing sector recorded an overall rise of 8.1 per cent in the year 1979-80.

Despite bumper wheat and cotton crops, record remittances of US\$1,700 million by overseas Pakistanis and an increase of 40 per cent in export earnings, the country's balance-of-payments position remained precarious and the trade deficit for the year is estimated at US\$2,100 million.

Pakistan also received from Western industrialised nations, oil-rich Muslim countries and some other sources nearly US\$1,500 million. Even so, it had to fill a budgetary gap of US\$400 million by resorting to deficit financing, the annual survey revealed.

The official survey blamed the country's eco-

nomie difficulties on international factors, world recession and inflation and, in particular, increased oil prices. The oil import bill has shot up from US\$530 million in 1978-79 to US\$1,203 million in 1979-80, it said.

Due to an increased influx of capital, the foreign-exchange accounts have been replenished. Barring gold, the approved foreign-exchange reserves increased to US\$400 million after being run down to US\$270 million the previous year.

But expenditure on administration increased by 14 per cent — half the rate of revenue receipts — and the survey said that, in the absence of national savings, it would be difficult for the government to carry out necessary development programmes without resorting to excessive external borrowing.

The price index of consumer goods continued to remain under greater pressure mainly because of a phenomenal increase of 28.7 per cent in import prices, the official document said.

The country's underlying difficulties were essentially a reflection of the continuing imbalance between demand for, and availability of, resources, it concluded. — AFP

BIG SCOPE FOR FISHERIES DEVELOPMENT

Lahore THE PAKISTAN TIMES in English 21 Jul 80 pp 4, 5

[Text] Pakistan has a vast potential for the development of its fisheries sector. Fish abound in much needed protein and already occupy an important part in the diet of our people. However, being an expensive item, it is not within the reach of the country's poor. If fish supply could be increased and price decreased, food experts reason that malnutrition would claim fewer victims.

The existing protein gap could be considerably filled in if we succeed in acquiring the desired level of growth in the production of both marine and inland fisheries. Unfortunately, in the past the fish industry has been neglected and has not been given as much attention as it deserves. Yet, it has gradually emerged as an important source of foreign exchange earnings. Exports of fish and fish preparations have been increasing but at a very slow pace. We need to strengthen the rate of growth in our fisheries sector. There exists great scope in this field which has yet to be explored.

Fish contains protein in a palatable, digestible and nutritious form and provides material for growth and energy as well as the replacement of worn out tissues. Fish also contains vitamins A and D, the deficiency of which may lead to ulceration of the eye, night blindness, malnutrition and increased susceptibility to diseases. The per capita consumption of fish in Pakistan is very low.

Improvement

The per capita consumption of fish during 1976 was recorded as 2.52 lbs as compared to 2.27 lbs of the previous year which shows an increase of only 0.25 lbs. This is a very small improvement in view of the wide protein gap facing the country. Efforts must be directed towards further exploration of our water resources in order to enhance the production of fish and increase its availability for consumption.

The number of fishing crafts have been gradually increasing over the years, but in view of the large water resources of the country and the fish wealth of Pakistan, the increase is not sufficient and calls for greater investment.

The territorial marine and inland waters of Pakistan possess a large variety of fish, shrimps and prawns. Around Karachi's territorial waters and along the 150-mile Makran coast of the country, at least 100 varieties of fish and shrimps are found of which the most well known are rohi, beari, mawa, oysters anabas, scandans, barbus, sran, barilius, catla, loach, gaajon, walking fish, shark fish, batarius, saw fish etc.

Production

During 1977 the total catch of fish was of the order of 225,500 metric tons, which showed an increase of 22.15 percent over the preceding year's production of 184,600 metric tons. Of the total production during 1977, marine fish amounted to 200,000 metric tons as compared to 163,400 metric tons of 1976 and fish from inland waters totalled 25,500 metric tons as compared to 21,200 metric tons of 1976. This reflects an increase of 22 percent in marine fish production and 10 percent in inland fish production. However, the total level of fish production is still far less than our requirements.

Export of fish and fishery products mainly consists of frozen fish, canned fish and fish meal. Among the frozen fishery products the major item is shrimp which constitutes about 80-90 percent of the total fish exports. Other fishes, frog legs and lobsters constitute nominal quantities. The main buyers from Pakistan are Japan, USA and France. Canned fish shrimp exports, also constitute an important part of fishery exports. These products are mainly exported to France, U.K. and West Germany. Besides Holland, Belgium, New Zealand, U.S.A., Greece, Africa and U.A.E. are also prominent buyers.

The species of inedible and small fish are used for industrial purposes to produce fish meal which is utilised in the preparation of poultry feed which is used at home and a large quantity of which is also exported. The consumption of fish meal in the preparation of poultry feed in the country has shown sizeable increase. This is due to the fact that poultry industry has registered rapid progress during the past few years and therefore poultry feed manufacturing industry has also shown steady growth. The buyers of Pakistan fish meal are West Germany, Kuwait and other countries.

During 1977-78, we earned only Rs. 241.4 million through the export of fish and fish preparations as compared to Rs. 381.3 million earned during the previous year. This represents a decline of Rs. 39.9 million over the preceding year.

The main reason behind the slow development of our fisheries exports has been an insufficient number of fish processing plants in the country. We need a larger number of well equipped fish processing plants which could be used for modern freezing, cold storage and canning operations. In this connection it would be better to enter into joint ventures with countries which possess the necessary capital and technical know-how and are also interested in making investment in this field. If we succeed in exploiting

our fish resources and increase the number of our fish processing plants we could definitely increase the level of our foreign exchange earnings through an increase of our fish exports.

Investments in the fisheries sector have been lagging far behind our requirements. Pakistan being a developing country can scarcely afford to make large investments in mechanised boats and fuels that high yield fishing presently requires. Many developing countries are turning back to the traditional method of aquaculture--the cultivation of fish in ponds and enclosed coastal waters practised for at least 3,500 years in Asia.

Development of the fisheries sector requires sizeable amounts of investment both on Government account and by the private sector. In the field of marine fisheries due attention needs to be paid to the exploitation of the Makran coast which has been neglected in the past. Work on the establishment of a fish harbour at Gwadar with ancillary facilities needs to be further strengthened. We also need to further pursue the scheme involving sea exploration, oceanography and hydrological research which is at present being conducted to study the chemical and biological aspects to the availability of fish. Comprehensive programmes for the training of fishermen in the modern scientific techniques of fishing should also be launched. In the field of inland fisheries we need to concentrate on the development and conservation of fish in lakes, dams, reservoirs, abandoned irrigation canals, etc. Besides the development of lakes and ponds, establishment of fish seed farms and nurseries and overall research in the aforesaid aspects is also required. According to a study conducted by FAO/UNDP the cheapest way to increase the production of inland fisheries in Pakistan would be to encourage the farmers to develop and maintain fish farms on modern lines over an area ranging from 1 acre to 2 and 1/2 acres. For this purpose the necessary technical and financial assistance should be provided to the farmers.

Handicap

Lack of credit availability is one of the major handicaps in the way of expanding fisheries in Pakistan. The Agriculture Development Bank of Pakistan has been advancing loans to meet the credit requirements of this sector. In 1975-76 a considerable increase in the total disbursement of credit was recorded on account of expansion of fisheries in the province of Baluchistan. Out of the total amount of Rs. 23,916,000 disbursed in 1976-77, Baluchistan's share was 88.7 percent and Sind's 11.3 percent. However, the credit requirements of this sector are far more than the loans being disbursed by the Agriculture Development Bank of Pakistan. There is need to further increase the total amount of credit available to this sector through other credit institutions.

in Pakistan we need to propagate fish farming on an extensive scale. Aquaculture must form an integral part of the country's overall strategy for rural development and food output. This sector can contribute substantially by not only increasing the amount of fish available but also by creating job opportunities for the people. For this purpose we need to formulate a comprehensive programme of efficient fish farming. Seed fish have to be made available, ponds have to be built and maintained, stocks have to be managed and harvested, fish have to be preserved and distributed. Besides, an efficient transport system is necessary especially if production is intended for a market larger than the immediate community. These are important aspects of fish farming which require due concentration and investment. At an FAO conference in June 1976 it was declared that aquaculture imaginatively planned and intelligently applied provides a means of revitalising rural life and of supplying products of high nutritional value." This is quite true for Pakistan, as fish farming has a great potential in the country. It integrates well with other activities and is not expensive either to start or maintain. What is required is greater investment and sound management.

There also exists vast scope for tapping the non-conventional sources of animal protein in the country. The coastal areas of Pakistan abound in an appreciable number of squids, which are locally known as 'Mahia.'

It should be remembered that food economics does not require just the supply of sufficient wheat and rice but a balanced diet which should also include an adequate amount of animal proteins derived from fish, livestock and poultry. For good, sound health of the nation, we should increase the protein intake of our people. Studies carried out by international experts reveal that the Arabian sea covering our territorial waters is exceptionally rich in several varieties of fish and can fetch annually about 1.5 million tons of fish. Besides, Pakistan can increase at least 20 times the production of inland fisheries by using modern methods of fish culture and development of catch culture. It is, however, very disheartening to note that there is not even a single school in the country which may be specialising in this field. We must emphasize on the need to impart proper education and training in the field of fisheries. The development of our fish industry will not only help us to reduce the protein gap facing the country and expand our foreign exchange earnings through export of fish and fish products, but will also help us to increase the supply of cheap animal protein products for poultry and livestock, provide more employment opportunities and reduce our dependence on aid for food from abroad. (Agricultural Review)

CEMENT OUTPUT RISES TO 3.75 MILLION TONS

Lahore THE PAKISTAN TIMES in English 16 Jul 80 p 5

[Text] Karachi, July 15--The installed capacity of 10 cement plants, all in the public sector, has gone up from 3.45 million tons to 3.75 tons with the completion of the expansion project of the Javedan cement project, it was learnt officially.

The Mustehkam Cement (expansion) project envisaging additional output of 0.3 million tons of cement is expected to go into production by the end of December 1980, raising the total capacity to 4.05 million tons.

According to some estimates, the demand for cement in 1982-83 would be six million tons. To produce six million tons, the capacity required at 90 percent utilisation would be 6.7 million tons in 1982-83.

In the public sector, four cement projects which are scheduled to be completed in 1981 would add another 1.233 million tons, thereby raising the installed capacity to 5.283 million tons in 1981. The projects are Pak-Iran cement project, Darwaza, District Kalal (0.3 million tons), Kohat cement project (0.3 million tons), Dandot cement project (0.3 million tons) and Thatta cement project (0.3 million tons).

Besides, the D.G. Khan project (0.6 million tons) is in the planning stage.

In the private sector, permission has been given to set up several cement plants. It is expected by the end of 1982-83, sufficient additional capacity would have been created to meet the demand.--APP.

CSO: 4220

CEMENT PRODUCTION TO INCREASE BY END OF NEXT YEAR

Lahore THE PAKISTAN TIMES in English 22 Jul 80 p 5

(Text) Commercial production of cement at three more cement factories is likely to start by the end of next year considerably reducing the present gap between production and consumption, it was learnt in Lahore on Monday.

The new units are being set up at Kohat, Dandot (Jhelum) and Thatha in Sind. Work on another three units is in progress and may be completed by 1984. Of them one is being established at Quetta and the others at D.G. Khan and Daud Khel.

The D.G. Khan unit is designed to give an annual production of six lakh tons. The expansion work being undertaken at the Daud Khel Maple Leaf Plant is also likely to be completed by 1984.

Pakistan at present has nine factories producing grey cement and one producing white cement. The total production is to the extent of 33,26,000 tons. The estimated total demand of the country at present is 42,00,000 to 43,00,000 tons. The gap of 10,00,000 tons is being met by imports from abroad. Ten percent annual increase in demand of cement is registered every year.

The plans initiated for the expansion and modernisation for establishment of new units are designed to meet not only the present demand without resorting to imports but also to meet the annual increase in demand of cement from within the country.

Work on the Javedan Factory has already been completed on priority basis and trial production began recently. The Mustehkam Project is likely to be completed in September and would start giving trial production soon after.--APP

CSO: 4220

BRIEFS

OBJECTIONABLE PAMPHLET SEIZED--Quetta, 16 June--The government of Baluchistan seized all copies of a pamphlet titled "Facts About Baluchistan", under the Press and Publications Ordinance of 1963. The pamphlet containing objectionable material was published by the outlawed National Freedom Party. [Text] [Quetta JANG in Urdu 17 June 80 p 6]

FLOURITE DEPOSITS IN DILBAND--Quetta, July 18--In Baluchistan ninety thousand tons of Flourite deposits have been discovered at Dilband area of Kalat district. According to official sources the deposits are sufficient for meeting domestic requirements besides leaving sizeable surplus for export to the Foreign countries to earn Foreign Exchange for the country. Flourite is used for iron and steel, chemical and ceramics industries. Meanwhile, Baluchistan development authority has undertaken exploration of Dilband Flourite deposits. [Text] [Lahore PAKISTAN TIMES in English 19 Jul 80 p 1]

RISE IN SUGARCANE CULTIVATION--Islamabad, July 21--The area under sugarcane cultivation has increased about 10 percent, it was officially stated here today. At Mandi Bahauddin alone, a survey conducted by Pakistan Agricultural Research Council revealed that area under this crop increased by 40 percent. The sugar-cane crop suffered setback during plantation due to short supply of water. However, the crop was now gaining grounds with the onset of monsoon. PARC has intensified its campaign to save the sugarcane crop from devastation of the Gurdaspur Borer and undertaken supervised cultivation over an area of 1,000 acres at Mandi Bahauddin. PARC sources said the demonstration of cultural methods on the farmers' fields for elimination of Gurdaspur Borer would go a long way in overcoming losses caused by this disease. [Text] [Islamabad THE MUSLIM in English 22 Jul 80 p 3]

CSO: 4220

CONCERN OVER INDUSTRIAL EXPANSION PROGRAM

Asia Lampur BUSINESS TIMES in English 18 Jun 80 p 6

[Article by Yoshiko Sakurai in Manila]

[Cont.]

DESPITE growing concern by its creditors over its economic future, the Philippines has undertaken several ambitious foreign-assisted industrial projects all at the same time.

There is widespread feeling that if the big development push succeeds, the country's foreign investment difficulties would be substantially overcome. At the same time, however, many are apprehensive that if it fails, the same development effort could be disastrous to the Philippine economy.

Experts predict that, win or lose, a more flexible foreign investment climate would evolve, and the Philippines would be able to expand its exports of raw materials, capital goods and even consumer products.

Like most developing countries, the Philippines finds itself fighting not only for its credibility in the international market for foreign investment but also the wisdom of its economic strategies.

Thus far, the government has boasted that it has no difficulty securing loans to partly finance massive developmental projects and its credit standing seems unassailable.

Still, opinions are mixed. Last September, when President Ferdinand E. Marcos announced that

the government would launch 11 top priority large-scale projects, many financiers reportedly expressed scepticism over his real intentions, while many others were worried that the government had made a series of bad economic decisions.

To the relief of his supporters, President Marcos has managed to start three of the 11 projects he spelled out last September. One of these is an aluminium smelting plant.

Signed last February between the Philippine National Development Corporation and Reynolds Aluminium of the

United States, the 50-50 joint venture is to produce 140,000 metric tons of aluminium annually. The total project cost will reach US\$450 million.

The plant will be established on the northern tip of Mindanao Island where Reynolds plans to extract bauxite from a nearby island. The plant will produce aluminium ingots for motor vehicles parts, beer containers and other finished products.

According to informed sources, this project would generate annual earnings of US\$300 million for the Philippines.

Another project recently launched is for the production of diesel engines.

Isumi of Japan won the contract on condition that the company invests US\$55 million and produces 30,000 diesel engines ranging from 55 to 150 horsepower.

Full-scale production is expected to start in 1983 and the project is expected to generate export earnings of US\$200 million over a five-year period.

At the end of five years, the domestic market is expected to absorb about 50 per cent of the plant's production. Under the terms of the contract, Isumi will not be involved in casting processes, such as engine block manufacturing. These will be done by local factories.

Another recently contracted project is a copper smelting plant.

The financing scheme for the smelting plant was arranged with Marubeni Corporation in partnership with Furukawa Company and Mitsui Company all of Japan.

The Philippine company, which will own the smelter, is a joint venture between local mining companies and the government.

An estimated US\$250 million will be loaned by Marubeni Corporation to the Philippine Associated Smelting and Refining Corporation. The smelter

will be located on the island of Leyte. Furukawa will design the smelter's furnace, while Mitsui will undertake the rest of the job requirements. Besides the Japanese group, Canadians and Europeans bid for the project.

The Canadian group was led by SNC Ltd of Montreal with Commonwealth Construction Company of Vancouver as its chief partner. The European group included Davy McKee Ltd and Beltrast Engineering Ltd of the UK and Outokumpu of Finland.

All three groups offered to build a smelter with an annual production capacity of 130,000 metric tons plus a refinery with an annual capacity of 110,000 metric tons.

Apparently, technical aspects in all cases were more or less equal, but the final judgement was guided by "financial aspects and guarantees."

Although it was given the first crack at the project apparently because of its low bid, Marubeni had to yield to Filipino demands on a loan maturity period of 45 years or better. This particular term was crucial to the whole contract considering that the International Monetary

World Bank) and that its annual ceiling on Philippine borrowings below the 15 year duration.

In early 1979, the IMF ceiling for the Philippines was US\$975 million. However, by the middle of that year the ceiling had almost been reached, making it difficult for the Philippines to sustain

other projects for the remaining half of the year.

This dilemma underscored the urgency that the Philippines should get large loans for projects to be financed by loans from sources outside of the IMF framework.

There was intense competition among the foreign bidders for the project, and criticisms as well.

A prominent Filipino businessman went so far as to call the copper smelting plant "unworkable." He based his position on his observation that in the past two years copper smelting had shifted from being a Japanese cartel to a more open market industry.

South Korea is building a smelter of 100,000 ton capacity. Taiwan is on the final stages of a 20,000 ton plant. The smelters in both countries are for strategic, not economic purposes.

The Filipino businessman said that both Taiwan and Korea spent much less to build their plants than the Philippines is expected to spend for its project.

Financing of the project will be further influenced by the new round of oil price increases and the resultant inflation, making government subsidies in available.

The Filipino businessman said the project in any case was the "15-year dream" of President Marcos, and for newly appointed Industry Minister Roberto Ongpin, it was an urgent task under any circumstances.

Attracting success from the first three projects, the Philippine government is expected to pursue the establishment of the eight other projects spelled out by President Marcos last September. The eight projects will cost US\$6 billion.

Even so, there is a widespread concern over how far and how fast the Philippines can accomplish its priority development goals in the face of mounting foreign debts. As of March 1980, the Philippines owed US\$10 billion and was forced to "reinterpret" its own laws in order to avoid a statutory ceiling on the cost of servicing its foreign debt.

And as the government sinks deeper in its commitment to accelerated development so does its indebtedness.

The International Bank for Reconstruction and Development (IBRD), has already indicated its serious concern over some of the projects, such as the US\$144 million steel mill which has an annual production target of 1.5 million tons of crude steel.

Last year the IBRD proposed that this steel plant project, along with a petrochemical complex to cost roughly US\$1 billion, should be postponed for at least two to three years, or at least until after the world oil supply crisis has cleared up.

There are predictions that the clear signal by the IBRD that it is unhap-

py about the Philippine expansion programme will "cool" the enthusiasm of foreign investors. A very large chunk of the US\$6 billion needed to develop President Marcos' 11 projects would come from foreign sources.

The Philippine government insists that the debts should be restricted to three times the equity for the projects.

However, this still means US\$4.5 billion or US\$900 million a year in new debts over a five-year period.

One view is that if foreign investors take equity of US\$1.5 billion for the new projects, then they will either approach or even exceed overseas investment totals in the Philippines for the 1970-1979 phase.

In addition, the huge debt of US\$4.5 billion will have to be paid back at a time when Philippine exports are only US\$3.4 billion, based on 1978 figures. For this reason, exports have become a critical factor for the country. To boost its export capabilities, the government has decided to expand its export processing zones from the current five to 14 by 1982.

Industries located in these zones will enjoy various forms of incentives, including tax exemption privileges. For instance, they will not pay real estate, machinery and equipment tax for the first three years of operation.

In addition, infrastructure in these zones have improved a great deal after the government poured about US\$2 billion to the programme as part of its effort to attract foreign investments.

This effort is being undertaken with a clear knowledge that spiralling wages in other developing economies such as South Korea and Taiwan have become disincentives to foreign investors.

As a result, the Philippines has begun to attract more foreign investors in recent years. Consequently, both the

textile and footwear industries are now located in the Philippines and electronics, along with the light plastic industry associated with toy making, is growing.

But although the Philippines offers cheaper labour than other Asian countries, it suffers serious problems that do not affect other countries. For one, power failures are almost the rule rather than the exception, especially during the rainy season and this greatly reduces the productive capacities of factories. This problem alone means that industries will be hard put to establish their factories in the remote export processing zones.

Difficulties in communications are another negative element to the country's courtship of foreign investment. For instance, there is usually only one telephone circuit between the processing zones and the city of Manila. This limits the service to only 20 calls made simultaneously. Although there are plans to increase the telephone circuitry to allow 140 calls at any one time by the end of 1980, almost certainly this number is still way below demand.

There is also a lack of good roads. Many are closed during rain and storm, a critical problem considering that 95 per cent of the commodities produced in the export zones are transported to Manila by truck.

As part of its drive to increase both foreign investment and exports the Philippine government has shown willingness to offer majority even 100 per cent foreign ownership in new projects. This is an entirely new approach to the country.

In the meantime, industrial and commercial circles in the Philippines hope that any new phase of heavy foreign investment will also be backed up by government supported export credits, loans from multinationals and other giant corporates. — Dancho —

NEW SYSTEM FOR VALUING PESO TO BE ADOPTED

Circle (input) BUSINESS TIMES in English 20 Jun 80 p 1

[Cont.]

WHEN the Philippines goes over to a system of valuing the peso against a basket of currencies rather than against the US dollar alone, it will not mean a peso devaluation, the governor of the central bank, Gregorio Licares, said today.

The governor also told Reuters in an interview that inflation should be around 20 per cent for the year and that the balance of payments deficit was expected to be on target at US\$340 million compared to last year's figure of US\$440 million.

The central bank was likely to go ahead with its plans to borrow US\$500 million on the international market before the year's end, having so far borrowed US\$200 million, he said, while the country's debt servicing ratio would be between 18.5 and 19 per cent.

He was optimistic that the target for real growth in gross national product of six per cent would be met, he said.

The governor said that a new system for setting the rate of the peso against a basket of currencies — probably the US dollar, the yen, the deutschmark and perhaps sterling — would be ready in a month or two. The bank's technical staff were working on it now, he said.

Asked about speculation abroad that the switch would involve a devaluation of the peso, currently worth 7.43 to the dollar, Mr Licares said: "I do not think so. I expect it to stay the same."

"Critics of our country say that the idea of a basket was to camouflage a devaluation," he said. "I cannot understand why we have to do any camouflaging of any monetary policy."

The peso had floated against the dollar and other currencies since 1970, "and we do not see any reason why we have to adopt a certain system of exchange rates to cov-

er up any unpleasant policy," he said, adding that the bank was happy with the present rate of the currency.

"We felt that our exchange rates should be flexible enough to meet the requirements of our major trading partners like Japan and some European countries like West Germany and Britain," he said in explaining the need for the new system.

It had not yet been decided how often adjustment would be made, "possibly weekly or so," he said.

Asked about the lack of consumer price index figures from the central bank since March, Mr Licares said the commodities in a shopping basket which decided the increase in prices were being reviewed by the government's National Economic and Development Authority (Neda).

He said he had reported to President

MANILA, June 19

Ferdinand Marcos that the inflation figure for April 1980 showed a 19.7 per cent annual increase, and that in future, Neda would issue the figures.

Inflation for 1980 was expected to be around 20 per cent or possibly less, but he acknowledged that this estimate was made before the latest round of oil price increases from the Organisation of Petroleum Exporting Countries (Opec).

Asked whether this would affect the estimates, he replied: "You have to find a way to avoid higher inflation rate by production, principally, and appropriate monetary controls that would avoid price increases arising from excess liquidity."

Mr Licares agreed that inflation was one of the major problems facing the country, and said that from the point of view of the central bank, controlling liquidity was "a tightrope-walking exercise." — Reuter

NEW OILFIELD TO BEGIN PRODUCTION; EXPORT EARNINGS

Kuala Lumpur BUSINESS TIMES in English 30 Jun 80 p 20

[Text]

THE Philippine Ministry of Energy said oil production from the third offshore oil field discovery would start in December this year at 13,000 barrels a day.

This projection was contained in the Ministry's annual report on energy resources development which identified the Cadiao oil field, about 100 kilometres south-west of Manila, to have recoverable deposits ranging from 1.5 to 18.4 billion barrels.

According to report, the development plans for Cadiao, which involve the installation of two subsea well completion wellheads, a single-buoy mooring system and a captive 100,000-ton tanker for production, had been finalised.

The report said the Ministry signed a service contract with Amoco Philippines Petroleum Co whose partners for the operation include Husky (Philippines) Oil, Balabac Oil Exploration and Drilling, Philodril, Trans Asia and the Philodrell group.

■ PHILIPPINE export earnings are projected to reach US\$3.5 billion in 1980 compared with last year's US\$3.8 billion, the Trade Ministry said in a published report yesterday.

The projection was based on the increased

prices in the world market of major Philippine export products like copper and sugar, according to the report published by the *Daily Times Journal*.

Trade Minister Luis Villafuerte said earnings from sugar, which totalled US\$212 million last year, are expected to reach between US\$700 and US\$800 million this year, he said.

■ A PROPOSED tax measure, which would be based on an individual's gross rather than his net income, came under at-

MANILA, June 29 tack from labour leaders who said the majority of the country's workers with fixed income would bear the burden of the proposal.

Press reports yesterday said the Trade Union Congress of the Philippines (TUCP) told the Legislative Assembly hearing that the country's fixed income workers as well as the self-employed would pay more under the proposed modified taxation system. — AFP, UPI

SPECULATION ABOUT EARLY ELECTION, GOH CHOK TONG

Kuala Lumpur BUSINESS TIMES in English 20 Jun 80 p 6

[Article by K.S.G. Pillai in Singapore]

[Text]

THE almost casual way in which Mr Goh Chok Tong, the Minister for Trade and Industry, indicated the possibility of an early general election in Singapore has caused neither much surprise nor any great excitement.

For some time there has been speculation of an election toward the end of the year, a year ahead of schedule, if only because that has been the style of the People's Action Party since 1963.

An added element contributing to this theory was that an early election would give Mr Lee Kuan Yew, the Prime Minister and Secretary General of the PAP, an opportunity to introduce more young blood into the government and party without the rigmarole of having to ease out the "deadwood."

Interest here is, however, centred on the fact that the hint came from Mr Goh Chok Tong and tends to confirm the popular bet that he is the leading star in the second-generation firmament.

In the strict order in which the second generation leadership is mentioned here, the first place is taken by Mr Ong Teng Cheong, the Minister for Communication and the second vice-chairman of the PAP.

Mr Goh, who is the second assistant secretary-general after Mr Lee and Labour Minister Ong Pang Boon, is placed two steps behind Mr Ong in the ministerial protocol list.

That Mr Goh made this announcement, which amounts to a government and party policy statement, tends to con-

firm the popular belief that he will inherit the mantle when Mr Lee decides to lay down his office within the next five to 10 years.

Mr Goh made only a brief reference to the early election. He said, "We are going to face grave difficulties of an economic and political nature next year. So rather than spend our time campaigning for re-election, may be we should devote our efforts to solve the problems facing our country."

Neither of these two premises really stand up to scrutiny, according to political observers here.

Political and economic difficulties there will be, but whether they will be any more acute than they have been in the past few years after the oil crisis — which Singapore surmounted admirably —

only those in the government with access to relevant information can assess.

Indeed, the theory advanced both by leaders of the government and the business community is that in the decade of the 1980s, South East Asia will be the oasis of economic growth and expansion amidst a world desert of recession and stagnation. And Singapore was given a special billing because of its strategic location as the communications and financial centre of the region.

Mr Goh's comment on wasted time on electioneering is also not particularly compelling. If past elections are any guide, the politicking period will be no longer than the minimum nine days provided in the constitution, because rarely has the government erred on the liberal side of 45 days.

Singaporeans are un-

likely to be swayed by the argument that its sturdy political and economic system cannot stand up to a few days of well-regulated, peaceful election campaigning every four or five years.

The only argument for an early election could be that the government wants a fresh mandate for another five years (though it has traditionally opted not to utilise them for more than four), to plan ahead for possible contingencies.

But since the results of an election are a foregone conclusion, barring some miraculous developments, the exercise amounts really to another renewal of the ongoing mandate.

This explains why there is not much excitement. Even among those opposition parties which welcome an election as a rare opportunity to go to the public — political rallies and meetings are

not allowed except during the election — the reaction has been muted.

Only the United Front, a leftwing group has stated it will contest the election. The Barisan Sosialis (Socialist Front), also a leftist breakaway from the PAP, will decide whether to contest the election after a definite announcement is made by the government.

There is a feeling in some opposition circles that the statement by Mr Goh was to gauge the opposition reaction — not that it could have much impact on the overall out-

come of the uneven contest.

The PAP polled 73.5 per cent of the votes in 1976 election and captured all the 69 seats in Parliament, a monopoly it has continued to maintain since the 1965 election — two years after the Barisan's 14 members quit Parliament denouncing Singapore's 1965 independence as "phony."

Barisan contested only six seats in the 1976 elections and managed to get only three per cent of the total votes polled.

The workers' party has yet to announce its stand. — AFP

REWARDS AND PENALTIES USED IN FAMILY PLANNING PROGRAM

Singapore *BUSINESS TIMES* in English 27 Jun 80 p 6

[Article by Nestor Cervantes in Singapore]

[Text]

SINGAPORE's family planning programme has been recognised widely as the "success story" among the world's population control ventures. Employing imaginative policies and adopting far-ranging disincentives, the demographic goal of this compact island republic is zero population growth by year 2030.

The programme was launched in three five-year plans starting in January 1966, when the National Family Planning and Population Programme began operations. The demographic goal of the first five years was to reduce the crude birth rate (CBR) from 29.5 births per thousand population in 1965 to around 20 per 1,000 by 1970. That was achieved significantly when the CBR by the target date (1970) went down to around 22.1.

The next goal of the project, encompassed in the second five-year plan (1971-1975), was to lower the CBR further to 18.0 by 1975. From 1972 to 1975, Singapore experienced another sharp decline in the fertility and birth rates. The total fertility rate dropped from 3.052 to 2.104, the net reproduction rate from 1.410 to 0.978 and the CBR from 23.1 to 17.8. The goal was therefore reached.

For the third five-year plan, the battle cry is for a two-child family norm and to space them by at least a three-year interval.

A spokesman of the planning board said: "Let there preferably be at least three years between the two." He reasoned out that a child needs lots of love and attention, especially in the first three years of his life. A second child before the third year means divided love and care.

In their book "Public Policy and Population Change in Singapore," Peter S.J. Chen and James T. Fawcett attributed Singapore's extraordinary feat in population control principally to the fact that, unlike other developing countries, the island state is a compact society. With barely 2.3 million population, a high literacy rate, full employment, increased participation of women in the labour force and prosperity all around, Singapore's government maintains an almost unparalleled influence in the daily lives of the people.

For this reason, implementation of various population programmes is comparatively easy while identification of population problems is not too difficult.

The Singapore government has used various approaches to achieve demographic ends. For example, the Singapore Family Planning and Population Board (SFPPB) has utilised the power of mass media to push the two-child family norm. In cooperation with the Ministry of Education, it has spread the programme with population education in and out of school while arranging periodic group meetings among the people.

The government's incentives and disincentives policies, on the other hand, affect all facets of family planning, from abortion to contraception

to family size. These policies have profound influence on the people.

Before 1970, for instance, abortion was an offence punishable under the Penal Code of Singapore. There was no possible defence except that the operation was for the purpose of saving the pregnant woman's life. Today, after the replacement of that code by the 1974 Abortion Act, there is no requirement of a minimum age for an abortion and a person is not guilty of any offence if the pregnancy is terminated by a registered medical practitioner.

Any woman, therefore, can lawfully ask for an abortion and pay just US\$5 for an operation in a government hospital.

In addition to the liberal provisions on contraception, abortion and sterilisation, the government has also implemented a number of measures to discourage large families. Here are some of them:

- Delivery fees will be waived for B and C class patients if either the husband or wife is sterilised within six months of delivery.

- Civil servants who undergo sterilisation are given seven days unrecorded full-pay leave.

- Female government servants who are sterilised six months after delivery or abortion will receive medical leave on generous terms.

In the matter of education, since August 1973, the Ministry of Education has given lower priority in the choice of primary schools to children of the fourth birth order and above. On the other hand, it raised the priority of children whose father or mother has been sterilised. The significance of this policy is that great inconvenience is caused parents whose children must have to attend schools in outlying areas of the city.

On housing, priority was formerly granted to couples with larger families in the matter of acquiring flats. This was revised to the point that small families are given preferential eligibility for HDB flats. In addition, families with fewer children can sublet rooms.

Finally, on top of all these widely used incentives and disincentives, the government is not above applying coercion, like in some immigration policies. A non-Singaporean, for example, who wishes to marry a local citizen must promise, if his income falls below a certain level, to be sterilised after the birth of the couple's second child.

Chen and Fawcett ask: Is the Singapore experience applicable to other countries? While there are some who do not think so, the book's authors say: "It is of course true that Singapore's policies cannot be copied in other settings; however, valuable generalisation can be drawn. What has been done in Singapore should not be seen as a model to be emulated, but as an experiment from which knowledge may be gained. Such knowledge can be selectively adapted to different situations." — Depthnews Special

CONFIDENTIAL

CONFIDENTIAL - TOP SECRET in English 16 Jun 60 p 1

PEKING, June 15

CHINA and Singapore have agreed to establish commercial representative offices in each other's capitals, the New China News Agency reported.

The agency said the agreement setting up the offices, which will include Singapore's first permanent representation in China, was signed yesterday afternoon by Chinese Vice Minister for Foreign Trade, Mr Wang Runsheng and Mr Ngiam Tong Dow, permanent secretary of Singapore's Ministry of Trade and Industry.

Both sides expressed the conviction that the offices would help expand trade links between the two countries, which are already growing at a fast rate.

Singapore and China do not have diplomatic relations, but leaders from the two countries

exchange regular visits and several Chinese banks have offices in the island state.

Meanwhile, banking sources in Singapore said the Bank of China is a major participant in a \$48 million syndicated loan for a domestic Singapore borrower.

They said proceeds will be used towards property development finance and details are expected to be announced shortly after the loan signing.

Earlier, the Bank of China also participated in a \$30 million domestic syndicated loan for which details are unlikely to be announced, they said.

Its loan activity is further evidence of the bank's desire to develop business in Singapore which last year saw its pre-tax profit increase seven-fold, the sources said. — Reuter

THAILAND

COLUMN BLASTS IDEA OF SOVIET-THAI FRIENDSHIP ASSOCIATION

Bangkok BAN MUANG in Thai 9 Jul 80 p 5

[Ta Mo Lo column: "Consider Things Well Before Approaching a Fierce Tiger"]

[Text] There are reports that Russia is trying a new strategy in Thailand by making plans to establish a Thai-Soviet association in Bangkok just like the recently established Soviet-Thai association in Moscow.

The purpose of this is not very clear but it is understood that they do not want to be outdone by the Chinese, who have a Chinese-Thai association in Bangkok and who play a greater role than Russia.

There has been criticism about what the intentions of the Soviet Union are and about whether they should be allowed to establish the association or not. Some say they should and some say they should not.

As for my own opinion, I feel that this is all right if....

I believe the old saying that says "go close to a fierce tiger."

In the past, people had ways of getting close to a fierce tiger without the tiger biting them but I do not know what the methods are because no one has taught me.

But I am a soccer fan. Our players must closely guard a player on the opposing team who is very skilled so that he cannot move about easily.

Having a Thai-Soviet association in Bangkok will help us come face to face with the Soviet Union and give us a chance to obtain more information about Soviet movements than in the past.

If the Soviet Union receives benefits from the Thai-Soviet association, Thailand too must use this association to its own advantage.

But the problem is what moves we should make in the Thai-Soviet association so that the association is of benefit to us and not harmful.

Another problem that I am worried about is whether the Thai-Soviet and Thai-Chinese associations will spread propaganda about or mobilize against each other.

Will this be a beachhead for the Soviet leftists?

And if the Soviet-Thai association in Bangkok is a beachhead for the Soviet leftists, the Chinese leftists will have to find a beachhead of their own.

If we allow the Thai-Soviet association to be established, things must be done in such a way as to firmly prevent this from becoming a beachhead.

However, I am one of those who are for establishing a Soviet-Thai association in Bangkok. I am looking at this from the standpoint of creating [better] understanding between Thailand and the Soviet Union and, in particular, creating an understanding among the Thai people concerning Soviet government officials.

(Please note that I did not say the "Russian people" since the Russian people are just "servants" of the Soviet communist party. If we want the [Thai people] to understand the Russians, we must have them understand the "organization" of the Soviet communist party and not the Russian people, whose position is different from that of the Thai people.)

But at the same time, I think that as for the present and the near future, this is not the proper time to establish a Thai-Soviet association in Thailand.

Because the establishment of such a "friendship" association must be carried out in an atmosphere of mutual friendship.

Stated directly, at present, the Soviet Union is not acting like a friend of Thailand. On the contrary, it is engaging in several things that show the opposite of friendship.

The Soviet Union openly supports Vietnam's sending military forces to carry on a war in Kampuchea.

The Soviet Union has supplied military weapons to Vietnam so it can carry on the war in Kampuchea.

And what is very dangerous for Thailand [is that] the Soviet Union showed satisfaction that Vietnam had sent troops across the border to attack and invade Thailand.

Soviet government newspapers and radio have repeatedly attacked and denounced Thailand in support of Vietnam, which has constantly threatened Thailand up to the present.

Thus, such a bad atmosphere is not at all suitable for the establishment of a Thai-Soviet association in Thailand.

How can tables for drinking be set up right in the middle of the battlefield?

The atmosphere must be improved and this is the responsibility of the Soviet Union since the Soviet Union created this atmosphere.

The politicians who are cooperating with the Soviet Union in order to establish a Thai-Soviet association must understand too.

If the politicians do not stop and stubbornly continue to pressure the government to establish a Thai-Soviet association now by using the political parties that presently support the government as a tool, both the government and the parties will be destroyed.

11943
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THAILAND

INDIAN DECISION TO RECOGNIZE PRK CRITICIZED

Bangkok BAN MUANG in Thai 12 Jul 80 p 5

[Ta Mo Lo Column: "Its Difficult to Talk to the Great Indira"]

[Text] Thailand is somewhat disappointed by India's announcement that it is recognizing the Heng Samrin government without giving any thought to the wishes of Thailand or the other members of Asean.

The only thing that was asked was that India delay doing this until the present "high fever" period has passed but India did not go along with this.

There is a proverb that says "if you meet a 'khaek' [Thai pejorative term for an Indian] and a snake, kill the khaek first"; because, you know the character of a khaek.

In reality, khaeks and Thais are very close to each other. Large numbers of khaeks, exceeded in number only the the Chinese, have been coming to Thailand to earn a living since the time when India was still a colony of England.

And Thailand is the only country in which the khaeks have a social status equal to that of the other independent peoples in Thailand and in which they are not looked upon as inferior people as in other countries.

But for some unknown reason, I have long felt that relations between the Thai and Indian governments are strangely cool.

As compared with other countries in the Pacific and Indian ocean regions with which Thailand has close relations, Thailand has just the opposite relationship with India, just as if we were on opposite sides of the world and did not understand each other at all.

I suppose it is a fear of snakes!

Concerning the fact that India has recognized the Heng Samrin government, if Thailand is compared to a racehorse on the international political field, the Thai horse has fallen way to the back of the pack.

Concerning this, international political circles analyze things from the standpoint of the benefit that India may gain from the conflict between the Soviet Union and China, in which India has embraced the Soviets ever since Red China annexed Indian territory in 1963.

But I have seen something else:

Mrs Indira Gandhi desires this.

Mrs Gandhi inherited her views from her father -- the deceased Jawaharimal Nehru, the first prime minister of India.

He said that India cannot live like a beggar (this is my term but he talked like this).

All during the time he was prime minister of India, he spoke the truth and kept his word and did everything to make India great. But Jawaharimal Nehru did not make India great by improving the standard of living of India's more than 600 million people.

He engaged in adventures in international political battles and he did in fact make India great. During his reign, India burst forth like fireworks.

It became well known for its constant perverse actions and for its active opposition to the United States.

But while India's more than 600 million people were starving, Jawaharimal Nehru showed no concern for this at all.

It is surprising that the Indian people agree with the actions taken by Jawaharimal Nehru.

How could Mrs Indira Gandhi, the present prime minister of India who followed her father everywhere when she was a child and who abandoned her husband in England in order to serve her father in India, fail to have inherited her father's [idea] that "India must be great?"

Thus, during the period Indira Gandhi has been prime minister, international political matters have been carried out in the style of her father.

During the period she was out of office after losing the election, Mrs Gandhi complained that India had lost much of its greatness.

Thus, it should come as no surprise that Mrs Indira Gandhi has recognized the Heng Samrin government against the appeals of five friendly countries in order to make India "great" again.

And the fact that India has recognized Heng Samrin is a revengeful slap in the face to China. Since India harbored such resentment against this big-nation, it would have been very difficult for Mrs Gandhi to pass up such an opportunity.

As for Thailand, India's actions have bothered us because such actions have made Vietnam, which is threatening Thailand, even more bold and daring.

But this is nothing very serious; its just like a minor cold.

I do not know what action Thailand and the other members of Asean will take against India since India has taken such an unfriendly "opposite path" from Thailand and the other members of Asean. There will probably just be a report that relations with India have been suspended and that things are being reviewed.

But Mrs Gandhi will not care at all how things are reviewed since she is not too interested in the countries in Southeast Asia because she cannot "ride" the Southeast Asian countries like she can the countries of Africa.

She cannot act like the big sister in this area because no one will let her do so.

However, Thailand and the other Asean countries should do something to let Mrs Gandhi know she has done something wrong.

Diplomatic methods are of no use!

I think like this, which is the way that all Thai people think, because the Khaeks have made me angry.

For example, if the water works labor union does not turn on the water for the Khaeks, if the power union does not turn on the power for the Khaeks to use, if the telephone union cuts telephone service to the Khaeks, if the Bangkok municipal laborers do not pick up the garbage for the Khaeks, if our Thai Chinese brothers stop watching Khaek movies and if people fail to pay the interest on their debts to the Khaeks, it will not be necessary to go out and get sore feet protesting; we can just sit back and see what Indira will do.

11943

CSO: 4207

THAILAND

EDITORIAL URGES PROPAGANDA CAMPAIGN TO SHORE UP FOREIGN SUPPORT

Bangkok SIAM RAT in Thai 12 Jul 80 p 5

[Editorial: "The Thing That the Government Should Do"]

[Text] After Vietnam invaded Thailand, concerning the actions of Vietnam, the world came to a greater realization that Vietnam is a nation whose "mouth and heart are not in line." However, the news that was spread around the world is not enough. The government should do something. It should use public relations as a tool and make the world see things even more clearly by thoroughly exposing all the facts about the things that Vietnam has done.

Although it is fine that the government has taken foreign diplomats to observe the situation along the border and prepared documents summarizing what took place along the Kampuchean border for these diplomats, we feel that further action must be taken at the international level in order to disseminate the facts as widely as possible.

The way to do this is simply to have the news units stationed at the embasseys in the different foreign countries disseminate documents summarizing the border events to the newspapers or different governments. At least they will understnad the truth. Otherwise, we will lose the advantage to the opposing side, which is trying to use the mass media to conceal the truth about what took place and make people believe that it was Thailand that started things.

As for the form of the document to be disseminated, it should present the historical background for the relationship between Thailand and Indochina and discuss the various problems that Vietnam has caused since its victory in the Indochina war.

we must accept the fact that there is no justice in the world and that there is a tendency in the world to believe the "propaganda" that is put out in streams by the Marxist-Leninist dictators. Thus, we must quickly implement a play to create understanding in the world before the opening of the General Assembly of the United Nations this September.

We are well aware of the fact that Vietnam, or Russia, is carrying on such propaganda activities in order to obtain the votes of the various countries to recognize the Heng Samrin government in Phnom Penh. Because if they can accomplish this, the invasion by Vietnam will immediately appear to be a righteous matter and will enable Vietnam to use similar methods in the future, which will be dangerous for the security and stability of the world in general.

We must resolutely keep from becoming overconfident that we now have the diplomatic advantage over Vietnam. Concerning this advantage, we see this clearly but there are still many third world countries that do not yet understand things and these countries may easily be drawn over to the Soviet side.

Thus, India, which is a country that should have remained neutral in this matter, should certainly not have recognized the Heng Samrin government.

11943

CSO: 4207

THAILAND

HONORARY DEGREE TO RIGHTEST EX-PREMIER CALLED "POLITICAL"

Bangkok SIAM RAT in Thai 10 Jun 80 pp 1, 12

[Article: "Chulalongkorn University Shamelessly Awards an Honorary Degree to Former 'Shell Prime Minister' Thanin"]

[Text] The faculty of Chulalongkorn University has submitted a note opposing the academic senate's resolution to award an honorary law degree to Mr Thanin Kraivichien, the former civilian dictatorial prime minister. [The note] pointed out that Mr Thanin does not have the qualifications or standards specified in university regulations. The dean of the Faculty of Law has admitted that only academic matters were considered and that Thanin's actions in administering the country were never considered. It is claimed that this is a political matter.

The group of faculty members who opposed awarding an honorary degree to the former prime minister, who called himself the "head of the 'shell' government," was composed of 30 faculty members from the departments of political science, economics, engineering and pharmacology and from other institutes. They submitted the note mentioned above to the head of the University Council yesterday evening, one day before Mr Thanin was to receive the degree at ceremonies to be held this afternoon at the auditorium.

In "praising" Mr Thanin, which included awarding him the degree, the University Council cited the strengths of Mr Thanin in his position as an "expert concerning various legal matters, a person who has played an important role in developing the field of law, a person who has moral principles, a person whom others have great confidence in and a person who can serve as a model for others to follow."

The note from the faculty members who opposed awarding a degree to Mr Thanin pointed out three reasons [for their opposition: Mr Thanin has never applied his knowledge or abilities "to the point where it is clear that he can carry out things well." On the contrary, when he was prime minister and had great power, in administering the country, his actions conflicted with legal principles. For example, he used his power to order the execution and imprisonment of large numbers of suspects without giving them a trial. He had people arrested and imprisoned by relying on the powers given him by the orders of the Revolutionary Council and by claiming that [these people] posed a danger to society and their cases were not tried before a court.

2. Mr Thanin suspended the democratic constitution and promulgated laws that were not in accord with the principles of legal justice. He harshly suppressed those who disagreed with him. It will be very alarming if Mr Thanin is lauded "as a person who can be praised in academic circles in order to serve as an example for others to follow."

3. If Mr Thanin is lauded as a "person who has performed wonderful services for the university," this would be a great pity for academic freedom because during the time he was prime minister, the academic senates at several places were disbanded, [the campuses] were infiltrated, instructors were taken for political indoctrination along with the students, activities were halted and students were strictly controlled.

Mr Thanin became prime minister through the revolution of the Reform Council. He announced that he would govern the country for 12 years by relying on the power of the Reform Council. Newspapers were ordered to shut down and the views of the people were suppressed. Finally, after only a year in office, a coup d'etat forced him out of office.

From another standpoint, in discussing the matter of awarding a degree to Mr Thanin, Mr Prasit Khowilokun, the dean of the Faculty of Law at Chulalongkorn University, said that Mr Thanin was the only person proposed for [this honor] and so the faculty committee unanimously resolved to award him the degree. He also cited the fact that the textbooks written by Mr Thanin "are of unmatched quality."

But the dean of the Faculty of Law admitted that the actions of Mr Thanin were not discussed because it was believed that this was a "political matter" that would have been difficult to consider. It is necessary to respect his different political views even if Mr Thanin did not respect the views of others when he was prime minister.

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